California Journal

The Monthly Analysis of State Government and Politics

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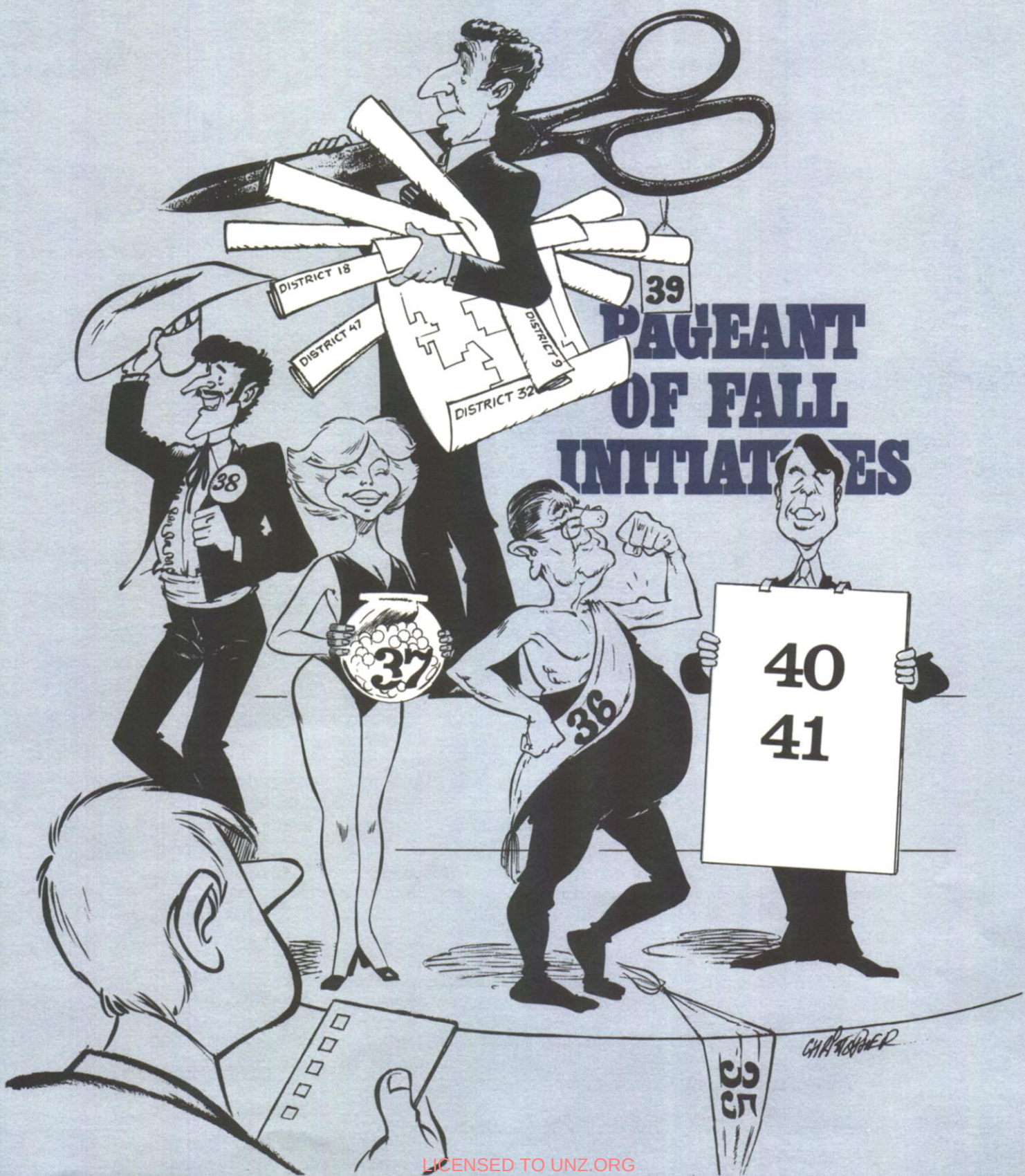

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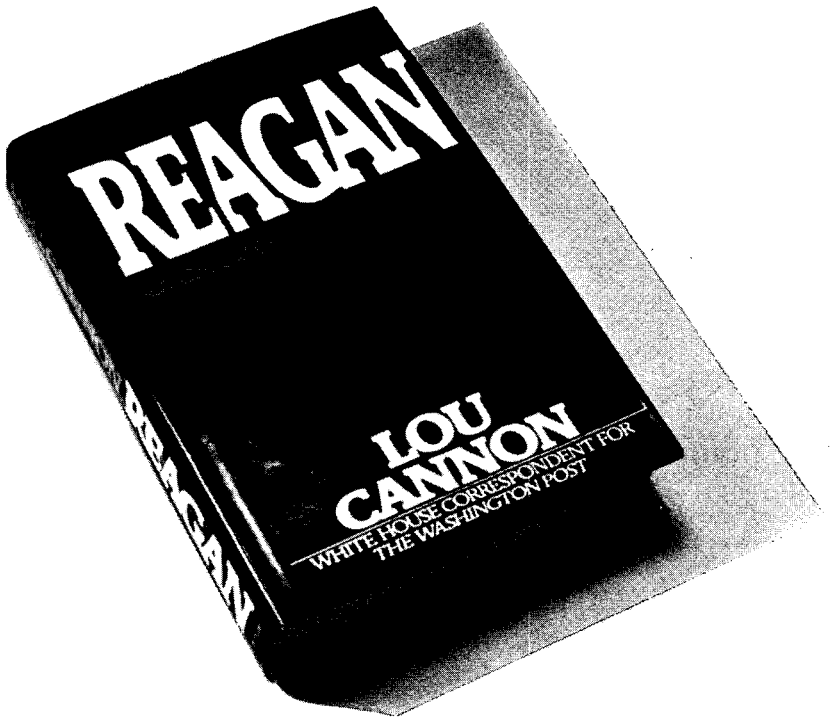

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The Monthly Analysis of State Government and Politics

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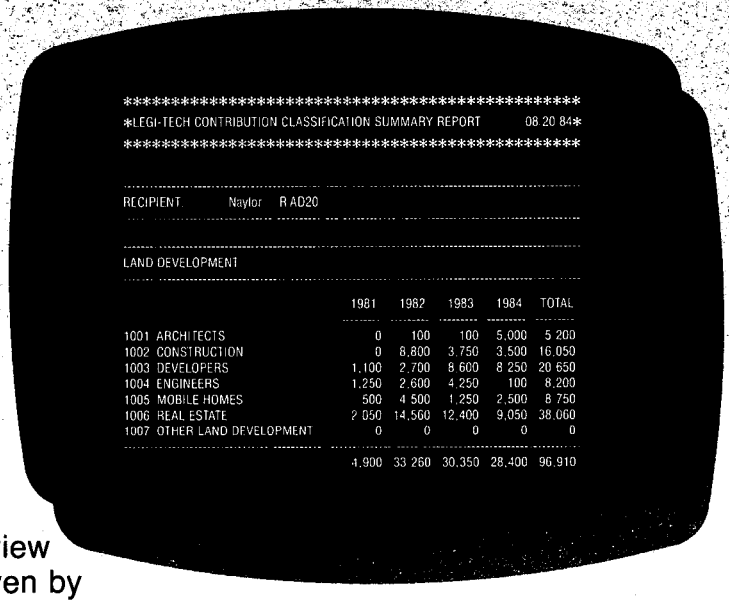

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1004 ENGINEERS	1,250	2,600	4,250	100	8,200
1005 MOBILE HOMES	500	4,500	1,250	2,500	8,750
1006 REAL ESTATE	2,050	14,560	12,400	9,050	38,060
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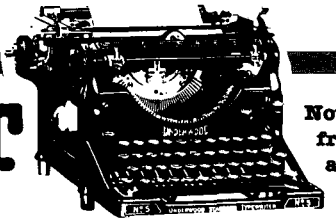

Notes and Items from Contributors and the Journal Staff.

Larry Naake and other officials of the County Supervisors Association will be trekking south shortly, hoping to convince the Orange County Board of Supervisors to rejoin the fold. In a move that could create big problems for the statewide group, Orange County supervisors dropped their association membership last July. If one or two other big counties should follow (Orange is the second most populous), the venerable state organization, which still includes the other 57 county boards, could fall apart. Naake, chief staffer for the statewide group, says the problem is a lack of communications, that the Orange County board didn't comprehend all the services it was getting from the association. But John Bushman, the county's spokesman, indicates that the departure had more to do with the association's inability to take sides politically on many issues of interest to the county. Last year, he says, when the county was battling with its big neighbor Los Angeles over a division of transportation funds the statewide group had to remain neutral. Thus, the county hired its own lobbyist, former state Senator Dennis Carpenter, for $120,000 a year. By quitting the association, the county saved about $70,000 annually, he says. Stay tuned.

The top man-bites-dog story, political division, this year is about the bad case of nerves that Democratic Senate President Pro tem David Roberti is giving to fearsome Senator Bill Richardson, the Republican conservative who's made a career of raising money to dump liberals. Roberti-led Democrats are pouring in help for Diana Monaghan, Richardson's opponent in the huge 25th Senate District which sprawls from eastern Los Angeles County (where Richardson lives) across the desert areas of Inyo and San Bernardino Counties (where she lives). Democratic hopes for an upset rest partly on the fact that because of reapportionment, nearly three-fourths of the district's voters are new to Richardson and don't know him. But the Democrats also think that they have an unorthodox, conservative nominee who just might beat the Republican at his own game. Monaghan takes the same anti-gun control and anti-abortion stands that he does. But she also has latched onto a non-ideological and potentially potent issue — charging Richardson with high absenteeism and with lacking enough interest in his legislative duties to master them during his 18 years in Sacramento. In the closing days of this session, Richardson played into Monaghan's hands. Ordinarily an outspoken opponent of homosexual causes, Richardson inadvertently voted for a gay-supported resolution calling for stepped-up action by a state-established advisory committee dealing with AIDS — acquired immune deficiency syndrome — problem. A Richardson aide confirmed the fact that the senator did not really intend to vote for the measure but failed to understand what was happening at the time. "Everybody was asleep on that one," says Mike Carrington. Not quite everybody. Democrats made sure the press heard about it.

(Marty Smith, Sacramento)

Democrat Henry Waxman is one of the five "best" members of the House of Representatives, so says *The Washington Monthly* — a magazine of political commentary. According to *The Monthly*, Waxman is "one of the most skillful politicians at promoting liberal causes," and it says his greatest moment in Congress came in 1982 when he put together a coalition that beat back attempts by the Reagan Administration and others to weaken the Clean Air Act. *The Monthly* also named Democrat Leon Panetta of Carmel as one of 15 members "near the top," and Republican Ed Zschau of Los Altos as "Rookie-of-the-Year."

One of life's little political mysteries is the strange conduct of George Deukmejian at the Republican National Convention. While other GOP officeholders were showing off their talents for the national movers and shakers, our governor avoided situations in which others might measure him and his political potential. Sure, he made a nominating speech and presided over his delegation. But for the rest — the parties, the TV appearances, the talks to other delegations — he sat it out. The most common explanation is that Deukmejian didn't want to do anything that might make it seem that he was running for president in 1988, a perception that could harm his reelection chances in 1986. (However, he didn't say he wouldn't take the VP spot.) Another explanation is that he knows he's none too proficient in the snappy chatter department, so why go out and look bad? A GOP leader offers a third explanation. "George and (wife) Gloria are very private persons. They simply preferred to stick around the hotel and eat ice cream."

(Richard Bergholz, Los Angeles)

In an article in the *Journal's* September issue, Bruce Bronzan of Fresno was listed as one of those fortunate Assembly Democrats who will be without a Republican opponent listed on the general election ballot. Well, that turns out not to be true. Bronzan's luck deserted him when all the write-in votes were counted in the primary election voting in the 31st Assembly District. Republican Don Farrington, also of Fresno, conducted a successful write-in campaign to win his party's nomination to oppose Bronzan.

Pat Callan, director of the Postsecondary Education Commission, isn't looking for a bigger job. That was our fault that he was identified as commission chairman in our budget supplement last month. Also, the graph accompanying his article showed community college fees starting in 1982. It should have been 1984.

Bill Honig has hired a new chief counsel for his education department. Selected from among 31 candidates, he's Joe Symkowick, a former assistant chief counsel in the Health Services Department.

Come across a blurb lately that's nosy, newsy or smart-alecky about California government, politics or politicians? Share it with the Journal. *We pay up to $25 for entertaining tidbits published in "Up Front," so rush your items to Up Front, 1714 Capitol Avenue, Sacramento 95814.*

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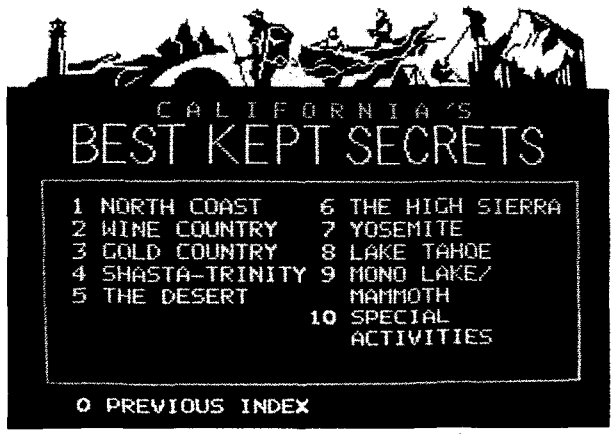

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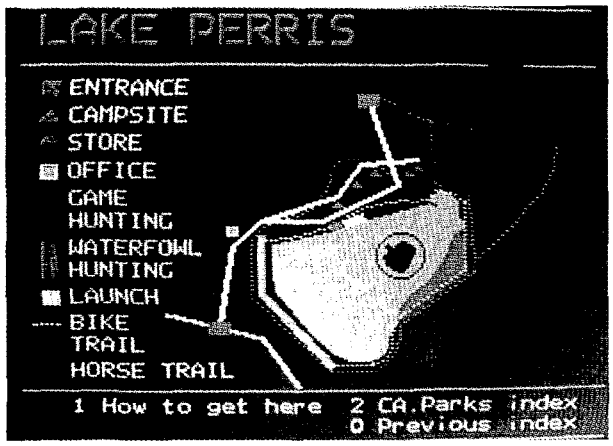

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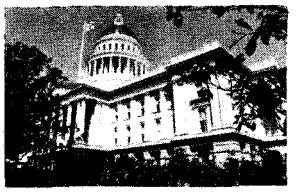

Capitol review

In a suburban shopping center a few miles northeast of downtown Sacramento sits the storefront headquarters of Paul Gann. It's a fascinating place, not for its furniture or surroundings but for what goes on there and what it means. If nothing else, it can create strange and unusual emotions, like feelings of pity and compassion for members of the Legislature.

Gann, of course, was the co-sponsor — with Howard Jarvis — of Proposition 13 in 1978. Since then, he has successfully sponsored three other initiatives: a limit on state expenditures in 1979, a package of criminal law revisions ("The Victims Bill of Rights") in 1982, and a requirement that the Legislature cut its budget and limit the power of the Assembly Speaker (Proposition 24) just last June. Except for his own candidacy for the U.S. Senate in 1980, he has yet to put anything on the ballot that voters haven't approved.

His headquarters, perhaps 2000 square feet, is subdivided into four smallish rooms containing the various tools of his trade: the pigeon holes for sorting incoming mail, the trays of outgoing letters, the computer printouts and the filing cabinets full of index cards, each carrying the name of some citizen who has donated to Gann — with date and amount — or who has gathered signatures for him, or who has done both. It's all truly unimpressive, until you remember suddenly that it and the handful of persons who work here are producing — like the politicians downtown at the Capitol — the law of the land.

Gann's organization is called the "People's Advocate" and Gann himself is the head. However, despite his age, 72, and his recent surgeries, including a five-way heart bypass, he travels frequently to make appearances and speeches. Running day-to-day operations is Gann's chief assistant and friend, Ted Costa.

Like the cherubic-featured Gann, Costa is not a menacing man. At 42, he is earnest, affable and responsive to all questions about the organization, the methods it uses to qualify initiatives for the ballot and its immediate plans. But beneath it all there is a fierce sense of purpose. Like Gann, he believes that he is working against a powerful enemy: politicians who — because of greed, arrogance, stupidity or whatever — are in many cases thwarting the popular will.

At the moment, Gann and Costa are wrapped up with Proposition 24 and the Democrats refusal to put it into effect (see following story). But they don't see that issue as an end in itself. Instead, what the controversy has given them is a new opportunity to smite the opposition; that is to generate contributions and signatures for another package of legislative reforms. Clearly an anathema to the professional legislators of today, Gann's latest proposal calls for a return to a part-time Legislature, an eight-year limit on legislative service and a cut in legislative salaries from nearly $34,000 annually to $24,000-a-year.

According to Costa, if they had been ready with the proposal last summer, when public anger at Assembly Speaker Willie Brown and the Democrats was most intense for their refusal to implement the new law, the Gann forces could have gathered enough signatures to qualify their proposal for the ballot in two weeks. "Our phones were ringing all day long," he recalls.

However, in the initiative qualifying business, no one can move that quickly. Once a proposed initiative has been researched and drafted, it must be submitted to the attorney general, who gives it a title and prepares a summary of its contents, a process that may take 40 days to complete. Only then may the sponsor go forth to gather signatures from registered voters.

As of mid-September, Gann's package was still with the attorney general and Costa did not know when it would emerge. However, there may be additional delays. Costa says the package may be changed, perhaps to include a limit on the number of bills that each lawmaker may introduce. Thus, the package would have to be resubmitted to the attorney general for revisions of its title and summary.

Costa was not fearful that any new delays would push the signature gathering effort so far in the future that public anger over the Proposition 24 situation would fade, thus causing the new campaign to lose support. When the 1985-86 legislative session convenes in December, he pointed out, the entire issue will surface again if, as expected, the Democrats again refuse to implement the Proposition 24 rules.

Plans for the signature gathering phase are not firm, says Costa, but may include a million-piece mailer aimed largely at voting precincts that show substantial Republican registration or that show substantial Democratic registration but are carried by Republicans like Ronald Reagan and George Deukmejian. With about 900,000 signatures needed, the mailer, he estimates, would produce about 125,000.

For the rest, the Gann organization would rely on a network of volunteers, perhaps 400 to 500 statewide, who will work for hours at time behind ironing boards and card tables urging passers-by to crack down on politicians and make them toe the line. "It takes a special kind of person to sit in shopping centers and collect signatures," says Costa. Indeed it does, and for those who make their livings at the Capitol, they are unnerving as well.

Robert Fairbanks

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THE LEGISLATURE AND PROPOSITION 24

LAWMAKERS CHANGE RULES, CUT BUDGET; IS IT COMPLIANCE OR SLEIGHT-OF-HAND?

By DAN WALTERS

A political melodrama entitled "The Perils of Paul" was played out on the Capitol stage last summer as the Legislature wrestled with political gadfly Paul Gann's successful initiative (Proposition 24) to overhaul legislative rules and force lawmakers to cut their own spending. There was certainly enough partisan histrionics to satisfy the most jaded follower of the genre. As the first act ended with legislative adjournment August 31st, key players were hanging from the political precipice in true melodramatic tradition.

— Will Assembly Speaker Willie Brown relinquish his vast power over committee assignments and legislation that the Gann measure demands?

— Will the Legislature cut its spending by 30 percent or hide behind accounting sleight-of-hand?

— Will Democrats suffer and Republicans prosper at the polls in November from Brown's defiance of Gann immediately after its approval in June?

— Will anyone ever take Proposition 24 to court and settle the dispute over whether it is constitutional?

Californians will have to return to the theater in December when the 1985-86 Legislature convenes to learn the answers. Everything so far, of course, has been designed more to have maximum impact on voters prior to the November elections than to deal head-on with the compliance issue.

Dan Walters is a political columnist for The Sacramento Bee.

Another skirmish

To date, compliance with Gann has consisted of some belt-tightening — although far less than the financial holocaust that Democrats had predicted — and some cosmetic rule-changing. None of the compliance steps appears to have affected the Legislature's day-to-day operations appreciably, although some of the spending cuts still are being implemented. And the rule changes were in effect for only three days before adjournment and are not binding on the new Legislature when it convenes.

"It's kind of like Proposition 13 (the 1978 tax-cut measure sponsored by Gann and Howard Jarvis)," one veteran legislative staffer said in September. "The initial effect is not as bad as everybody thought it would be but we don't know what it means for the future."

Although Gann himself insists otherwise, his initiative to overhaul the Legislature never represented a popular revolt at legislative hi-jinks. It was, rather, another skirmish in the state Assembly's never-ending partisan war.

The initiative was written by a small group of Republican assemblymen who found themselves, they thought, completely stripped of power by a Democratic majority. Frustrated by reapportionment, Democratic rule changes and a partisan freeze on significant Republican legislation, the GOP assemblymen — dubbed the "cavemen" by one critic — decided to bypass the Legislature entirely. Their initiative, with Gann as their sponsor, was aimed directly at Speaker Brown and his powers over committee assignments and other internal matters that Brown once likened to those of Iran's Ayatollah Khomeini.

"We wanted to give Willie a taste of his own medicine," one of the Republicans confided. "We were tired of being treated like second-class citizens. We wanted him to sweat for a change."

Without the power to assign legislators to committees and remove them — a power given to party caucuses under Gann — the speaker would lose his

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direct authority over the fate of legislation. That, in turn, would make it more difficult for the speaker to wheel-and-deal with special-interest groups over legislation and campaign contributions. As a result, the fund-raising ability of the majority party would be diminished.

Brown had some reason to believe that the state Supreme Court would void the Gann initiative after voters passed it by a 53-47 percent majority in June. Legislative lawyers contended that the initiative, which added a new statute to the codes, runs counter to a state constitutional provision that says the Legislature can set its own rules. Furthermore, the Court — dominated by appointees of former Governor Jerry Brown — had handed down a reapportionment decision favorable to Democrats just last fall.

"Sister Rose and the Supremes took care of that little issue," Brown crowed to a partisan audience after the Court removed Republican Assemblyman Don Sebastiani's reapportionment initiative from the ballot.

A supreme decision

Confidence in a friendly Court decision may have been why Brown and other Democratic leaders did not mount more than a token campaign against Gann prior to the June primary election. And as soon as Gann passed, they filed their suit to set it aside, meanwhile refusing to implement this "unconstitutional" measure.

But the Supreme Court did not act according to expectations — perhaps, some observers believe, because it was worried about getting a pro-Democratic partisan image. On June 20th the Court stunned the Capitol and undercut the Democrats by refusing to accept the challenge to Gann. It was, the Court said in terse orders, too early to file such a challenge. The results of the election had to be certified first.

Initially, Brown indicated he would continue the defiance. Although he acknowledged that in the absence of a Court decision, the Gann initiative was the law, he added, "Those who wish to implement the law . . . will have to get 54 votes to do it. Until the respective houses have adopted rules consistent with Proposition 24, the old rules prevail."

Brown's cocky statements at that time may have been one of the biggest blunders of his generally error-free political career. The Republicans could not have been happier, even as they cried crocodile tears at Brown's unwillingness to comply. "I hope the speaker reconsiders," Republican leader Robert Naylor responded. "It would be a sad day when the Legislature thumbs its nose at the state and refuses to implement a statute." Naylor's truer feelings, however, were revealed in another comment. "The first appeal is to the court of public opinion, and I'm talking about the November elections," Naylor said. "This is going to be a major issue."

But the court of public opinion was beginning to render its verdict even as the Supreme Court was refusing to hear the case. As Brown promised to continue his defiance, he was beginning to get negative feedback from a public that may have been apathetic about the issues presented in Gann prior to the election but reacted strongly to a public official openly refusing to obey the public will.

"An arrogance thing"

Democratic legislators were telling Brown by late June that they were being peppered with critical remarks from their constituents. "Every time I go home, people ask me about Brown and how he dares to not follow the will

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of the voters. It's an arrogance thing," one Democratic lawmaker said privately.

The Republicans cleverly kept the issue alive by routinely raising it on the Assembly floor, especially when there were television cameras in attendance. Finally, Democratic leaders began refusing to recognize the periodic Republican motions for implementation of Gann's provisions, thereby saving Democrats from further embarrassing rollcalls. But there were enough of those already recorded to help Republican strategists design campaign-mailer "hit pieces," as they are called in the trade, to use against individual Democrats on the Gann issue.

Brown invited Gann and the Republicans to take the issue to court themselves, seeking to compel compliance. That, he thought, would force the Supreme Court to rule on the Democratic contention that the measure is unconstitutional because the Legislature has an exclusive right to set its own rules. But the Republicans refused to accept that gambit. As long as there was no suit pending, Gann was the law and Democrats were vulnerable to the charge that they were defying the law.

Nor did Brown return to court after Gann was certified, as the Supreme Court had said he could. The use of a taxpayer-financed attorney, Joseph Remcho of San Francisco, to file the original suit had exacerbated the image of official arrogance that Brown was developing. It was time for him to begin creating a less-defiant profile.

Although Brown still refused to deal with the procedural rule changes in Gann — the guts of the matter so far as Republicans are concerned — he was willing to make at least some spending cuts to give the appearance of complying with Gann and soften the image of outright defiance.

"Willie thought that spending was what was on most voters' minds," a highly placed Democratic staff aide said. "He thought voters didn't give a damn about rules and if he made some spending cuts, that would take care of the matter politically. It would fade away."

Freezes

In late June Brown proposed a series of steps that "will reduce our appropriations by the full amount contemplated by Proposition 24." There were freezes on travel and other expenses, the 2600 legislative employees were denied a 1984-85 pay raise (although legislators didn't entertain a thought of giving up their 20 percent pay hike due in December after a four-year freeze), employees were asked to take early retirements with the promise of better pensions and a job-sharing program was initiated.

Assemblyman Lou Papan, Chairman of the Assembly Rules Committee and Brown's designated budget-cutter, estimated in a recent interview that 45 positions were being eliminated without layoffs. "We are putting a lot on one-third or two-thirds time rather than go to layoffs," Papan said. "It's something we don't want to do." Also, he added, members are being given fixed budgets for their district offices.

In the Senate, meanwhile, there was a lower level of debate. Already under a collective leadership, as the Gann initiative required, the Senate had less to fear from the measure. Perhaps because of that, though more likely because of temperamental differences, Senate President Pro tem David Roberti was far more restrained than Brown in his discussions of the measure.

Also, although he joined Brown in the anti-Gann lawsuit, Roberti moved more quickly than Brown to slash spending. About 50 positions were whacked in the Senate, including several in the office of Roberti himself. But, it appeared, the Senate leadership used Gann in some cases to eliminate people that it wanted to drop anyway.

Sleight-of-hand

Overall, the cuts in both houses represent relatively minor belt-tightening — nothing like the 30 percent cut that is cited so frequently in news accounts about the Gann initiative. This is so largely because the initiative did not say, as its promoters implied, that this year's legislative budget (for 1984-85) was to be cut by 30 percent. It said in effect that this year's budget was to be cut by a dollar

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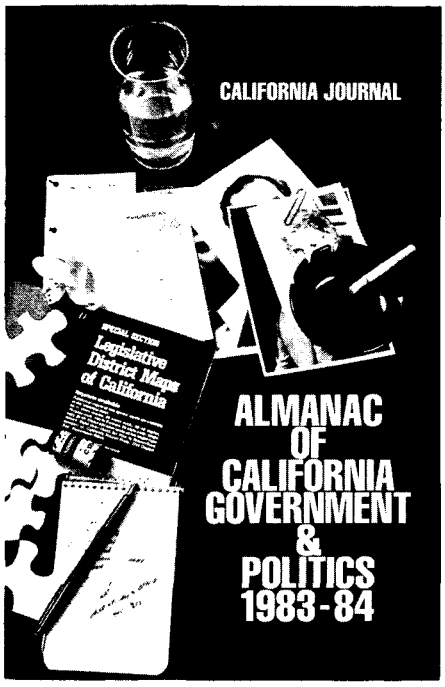

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figure equal to 30 percent of last year's (1983-84) budgeted amount. Thus, by giving themselves a bigger budget for this year, lawmakers could cover much of the dollar cut they would be required to make.

In practice, the numbers went like this: Last year's current operations budget for the Legislature was $123.5 million. Therefore, the amount to be cut from this year's budget was $37 million; that is, 30 percent of $123.5 million. After Gann was approved in June, the Legislature established this year's operations budget at $140.8 million, a $17 million increase to help cushion the required $37 million cut.

And there is more. The Legislature for many years has maintained a large annual carryover outside its operating budget fund. It exists because legislative leaders decided a generation ago that they didn't want to leave themselves at the mercy of a governor who might slash their budget as a punitive gesture.

At the start of last fiscal year, the carryover stood at $15 million. Although much of it was to have been spent last year and this year, the funds were conserved and a sizeable chunk remains. The actual amount is unclear, but it could be more than $10 million to be applied against the Gann-required cut. Lawmakers also picked up $4 million by transferring part of the cost for the auditor general's office, a part of the legislative branch, to the executive branch.

In fact, the Legislature may wind up this year spending only a few million dollars less than last year because of these bookkeeping steps, although firm figures are difficult to develop. "There will be very little need for an actual spending reduction because of the surplus," Republican leader Bob Naylor said in a recent interview. "There is some tightening of the belt."

Regardless of how deep or shallow they were, however, the spending cuts were not enough to remove the political burden of Gann from the Democrats' backs. Party strategists worried as hundreds of anti-Brown letters flowed to newspaper editors throughout the state and legislators themselves continued to receive the negative feedback.

As the Legislature returned to Sacramento for the final week of the session in August, Brown unveiled his last effort to defuse Gann as an election-year issue. He proposed a series of rule changes — far more than he had been willing to do two months earlier — that he termed "consistent with 1984 Proposition 24 vote."

Superficially, they appeared to meet most of the provisions of Gann: legislative rules could be suspended only by a two-thirds vote; the chairman of the reconstituted Rules Committee would be the speaker or his designee; chairmen and vice-chairmen of each committee would be of different parties; members of committees would be recommended by party caucuses; funds "for partisan purposes" would be allocated proportionately between the parties; etc.

Weasel words

But the proposed rules also contained weasel words that had the effect of diminishing Brown's power very little. He still would have the final say, for example, on who sat on which committee — perhaps the most important change proposed by Gann.

And the new rules would only be in effect for the remaining few days of the 1983-84 biennial session. They carefully allowed new rules to be adopted by a simple majority vote in December — meaning the Democrats still could do what they wanted once the November elections were over. As Democratic sources conceded, the partial compliance with Gann late in the session was designed to give Democratic incumbents some defensive ammunition when they were accused of defying Gann in the fall campaigns.

But the proposal put Republicans in a quandary: resist the rules, labeling them as meaningless window-dressing, or accept them as progress toward compliance. The internal GOP dispute was not settled despite hours of closed-door argument and when the time came to vote, the Republicans were sharply divided. The revised rules were adopted.

"Legislators are ultimately beholden to the speaker (under the new rules) but at least it diffuses his power a little bit," says Naylor, who voted for the new rules.

The essential unanswered question about Gann, however, is whether it will affect the November elections. Republicans are making good on their promise to raise Gann as an issue in key races. In fact, Gann himself is campaigning against such Democrats as freshmen Jack O'Connell of Santa Barbara and Dan Hauser of Arcata. His name is also on a "hit piece" mailer against Jean Moorhead of suburban Sacramento.

On the results of those campaigns hinges the future of the initiative. If Democrats survive the challenges, it's unlikely that Brown will go further toward compliance. Gann and the Republicans may be forced to court to get it.

But if Democrats are hurt by the Gann issue, it may not only compel more rapid and complete compliance in December but threaten Brown's continued hold on the speakership. Privately, a number of Democratic legislators have criticized Brown's handling of the issue and wondered aloud whether his seeming arrogance has not rendered him more of a liability than an asset. The Capitol seethed with rumors in August that Brown would be dumped if Gann hurt the Democrats and a new Republican-sponsored reapportionment initiative is approved by voters.

Significantly, one of the new rules adopted in August requires that within 48 hours of the November 6th election, the Republican and Democratic members of the Assembly meet to choose new officers. Because it would be difficult, though not impossible, for a potential successor to put together the required votes in such a short time, the new rule is being viewed as a way for Brown to hang onto his speakership if, indeed, there are those who want to dump him.

Ironically, it also would benefit Naylor, who has been under pressure from the same right-wingers who helped write Gann in the first place and want to replace him with someone who breathes more partisan fire.

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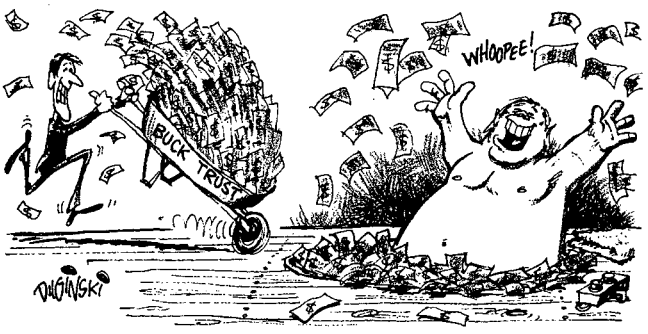
Supervisors, foundation at odds over Buck Trust



By ED SMITH

People who receive their money from philanthropic institutions usually mind their manners when talking about their benefactors. But in Marvelous Marin — the ritzy county just north of San Francisco — the rules don't hold when locals begin talking about those who manage the Buck Trust. The trust has poured about $100 million over the past five years into various charities and good works within Marin County. Nevertheless, County Supervisor Gary Giacomini calls directors of the trust a "bunch of grave-robbing bastards" and says their gentlemanly executive director, Martin Paley, is a "lying son of a bitch."

Were the directors caught distributing counterfeit bills, or taking sizeable chunks of the money for themselves? No. As has been widely publicized over recent months, they announced last January that they wanted to change conditions of the trust so they could begin spreading the wealth outside Marin. More specifically, they want Marin's golden goose to start laying for four other San Francisco Bay Area counties as well: San Francisco, Contra Costa, Alameda and San Mateo. Essentially, they contend that the Buck Trust distributes too much money for one county alone, particularly since it's already the wealthiest in the state. (According to 1980 census figures, Marin has the highest family income of any county in California.)

The money came from Beryl Buck, a widow who lived in the Marin County community of Ross and who had inherited some $10 million worth of stock in a Kern County oil company — Belridge — from her husband. Upon her death in 1975, her will stipulated that the money would be placed in a trust and used to benefit non-profit, charitable groups in Marin — and only in Marin. However, before the trust was fully established and functioning, former President Jimmy Carter deregulated oil, Shell Oil bought Belridge and the $10 million in stock was suddenly worth $200 million. The trust, administered by the San Francisco Foundation, has since grown to $360 million and has been giving away about $25 million a year.

Part of the problem may be that the widow Buck chose a group dominated by outsiders to spend her funds. Of the seven directors who run the San Francisco Foundation, only two are from Marin: former state Senator Peter Behr and business executive Richard Madden of Ross. Both voted against the redistribution plan.

In his angry response to the directors' wealth-sharing plan, Supervisor Giacomini was hardly alone. Another supervisor predicted that the legal battle to keep the trust at home would make an atomic war pale in comparison. At the time of the announcement Marin's daily newspaper, the *Independent Journal*, ran the story under the headline, "Buck Fund shocker; board wants it shared." John Wilson-Bugbee, whose Ecumenical Association for Housing was put on the map with Buck Trust grants, said, "I feel betrayed." Noting that Mrs. Buck's bequest had grown more than 30 times since her death, he said, "I would like to think she would be 25 to 30 times happier that her funds could be used to do something great in Marin."

The trust directors tried to calm some of the anger by pointing out that they would be pumping more than $25 million annually into the county during the next three years (at least) while the matter is being settled in court.

"That's like a wife telling you she's going to run off with another man in three years — meanwhile, relations will be normal," angrily replied County Supervisor Al Aramburu.

The biggest share of Buck money, more than $23 million, has gone to what the foundation calls community health, a broad term that might bring to mind hospital wings, clinics in low-income areas and the like. Not quite. The foundation does not fund capital costs for health-care facilities and, partly as a result, much of the health-care money has gone for mental-health programs.

One recipient has been the Center for the Family in Transition, a group of psychologists and social workers who counsel divorcing couples and their children. The organization was created from scratch with a $1.2 million, three-year grant from the foundation, since enlarged to a $2.5 million, three-year grant. Those who run the program, free to poor and rich alike, have discovered that fathers are depressed at being separated from their children, that divorced persons are often lonely, and that children who have ample contact with their separated parents are often happier than those who do not. Based on the center's budget, the cost of counseling each family in the first three years ran about $4000.

Education came in for the second largest slice of the pie, more than $19 million. A large chunk of that money, well over $4 million, went to the Marin Educational Foundation, an organization established by the San Francisco Foundation in 1981 to provide scholarship money to Marin students. Foundation officials say most of the money goes to Marin's neediest students — those from families earning less than $20,000 a year.

The arts also have come in for a share of Buck dollars — in excess of $7 million. One recipient has been the Playwright's Festival, a group that began in San Francisco in 1976, then moved to Marin a couple of years later in time

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to take advantage of Buck money. The group solicits plays, and then selects and produces them. The foundation has supplied about half the festival's budget in the past few years, and this year made a three-year, $250,000 grant to help the group, to among other things, attract larger audiences.

The foundation also spent more than $6 million to buy land in West Marin from Synanon, the alcohol and drug rehabilitation group. When things got too hot in Marin for the controversial group, it moved out and left some prime land behind. The foundation picked it up for $6.3 million and then spent a couple of hundred thousand more on consultants to advise them on what to do with it.

Pockets of poverty

Despite its affluence, Marin has pockets of poverty, particularly in San Rafael's Canal neighborhood and in Marin City, an enclave of black residents in southern Marin, and the trust has spent some money there. But *The Nation*, in a May 1983 article, sharply criticized the trust's funding for groups that deal with the poor, noting that it set requirements that sometimes stifled even the mildest reforms. *The Nation's* article maintained, for instance, that the Canal Community Alliance, a trust-funded group, was told that it could not engage in any partisan political activity if it was to qualify for funding. At the same time, two other groups that backed rent-control efforts in Marin went out of business for among other things, lack of funding. Criticism of the grants also has come from within Marin, but no one suggests that the funds not be spent at home.

Last year's county grand jury rebuked Buck trustees for spending only $10.3 million over the past four years on direct services to the poor, or about 12.5 percent of all distributions. As quoted recently in the *San Francisco Examiner*, the grand jury declared: "One must hope that the San Francisco Foundation will commit a larger share of Buck Trust funds to 'providing care for the needy' in Marin, as Mrs. Beryl Buck's will specifies."

Also, after looking over the grants, a task force of municipal officials concluded that the entire trust could be well spent in such areas as Marin County transportation, public works, parks, public safety, housing, technical assistance to local governments and the arts. In this case, though, backing for food programs, rent subsidies, job training and the like were not mentioned.

Obviously, not all Marinites are opposed to sharing the wealth, and the most active of them is Robert Gnaizda, a Mill Valley attorney who heads a public-interest law firm in San Francisco. In a suit filed in 1980, before foundation directors proposed their redistribution, Gnaizda — on behalf of various Bay Area charities and 18 Marin residents — called for restructuring the trust so Marin would receive about $2 million a year and the remainder would be spent in Oakland, San Francisco and other Bay Area communities.

Gnaizda called the trust an "unearned windfall for the people of Marin who don't deserve it any more than the people of Oakland." At the time, foundation and county officials alike rejected Gnaizda's proposal and said the money would stay put.

"In general, my clients, including the 18 Marin residents, have been treated quite respectfully and generally applauded for their stand," he says now. "That indicates to me that the majority of the people in Marin do not agree with the five political leaders (county supervisors)."

The few attempts to discover how the average citizen in Marin reacted to the news showed, not surprisingly, quite a division of opinion. On-the-street interviews by county newspapers brought the full range of responses from "Keep it all" to "Give it all to poorer communities." A small survey conducted by Gnaizda's firm, Public Advocates, indicated considerable support for redistribution. Gnaizda believes it is a small clique that is opposed.

"When a trial court decides this money should be distributed throughout the Bay Area, it will be accepted by all but those who are the recipients of the grant money and the political leaders who have something to gain politically," he says.

Among opponents, the most common reason cited for keeping the trust funds in Marin is a pious concern about the possible effects on probate law should the Buck will be altered. "I think the trust should be kept in Marin because that's what she said," Giacomini argues. "In all my time as a lawyer, I've never seen an attempt to distort a will as egregiously as this. It's that simple."

Others shared his opinion. In an editorial, the *Independent-Journal* urged county officials to fight the move, saying ". . . centuries-old concepts of inheritance and probate hang in the balance."

The head of the Marin Arts Council, Chuck Curley, said, "The issues involved in breaking the Buck Trust go far beyond the narrow Marin County concerns and strike at the heart of Anglo-Saxon jurisprudence."

The final decision, of course, will be made in court. But that will be a long time coming. The case, which will be tried before a judge, was scheduled for trial at the end of the year before Judge Beverly Savitt. However, the foundation — with the support of Gnaizda and the state attorney general's office — requested a change of venue, arguing that every judge in Marin had an interest in keeping the money in the county. Savitt called such reasoning nonsense and said the case would remain in her court. Now the state Supreme Court has agreed to hear the matter — a move that postpones the start of the trial until well into 1985.

Whatever the final decision, it seems certain that both the foundation and Marin will come out losers in some respects. Foundation officials, after all, did consistently mislead Marin officials. They admitted that they had considered redistributing the money almost from the start while repeatedly assuring county residents that the trust would be kept for Marin in perpetuity. While the outcome may not deal any serious blow to probate law, it will quite likely make people think twice before believing foundation officials.

Marin, already held up to national derision for the lifestyle of some residents (hot tubs and peacock feathers), can only be expected to look greedy and self-indulgent. The unwillingness to make even a compromise proposal — to share say one-quarter of the money with other counties — must reinforce that image.

One thing is certain: Before this case is through — and lawyers from both sides are sure it will reach the U.S. Supreme Court — hundreds of thousands of dollars, if not millions, will be spent from the trust on legal fees.

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By ELLIOT DIRINGER

SUNNE WRIGHT McPEAK

BRIGHT, HARD-WORKING, CHARISMATIC; BUT SOME SAY SHE'S OUT FOR HERSELF

When the Contra Costa County chapter of the National Women's Political Caucus (NWPC) hosted the group's state convention in June, its "favorite daughter" couldn't be there. She was off in Washington, huddled in a Capitol conference room with 14 other Democrats, struggling to draft a pre-convention version of the national party platform. Odious work it was, and it would have been more pleasant to be at home. But just being there was a notable achievement and not one that County Supervisor Sunne Wright McPeak was likely to pass up.

Bright, hard-working and charismatic, McPeak is finishing her sixth year of local elective office in Contra Costa County — a surging growth area on the eastern side of San Francisco Bay. Praised as a deft strategist with a knack for organizing, she rose to statewide prominence in 1982 as co-chair of the referendum campaign that sank the Peripheral Canal. She keeps a high profile around the state these days as president of the County Supervisors Association of California and is well known in Sacramento as an articulate advocate for local government (see "Future Political Leaders," *CJ*, November 1982).

In Contra Costa, conventional wisdom has held from the start that she is destined to move on — wherever the right opportunity presents itself. Why else, people ask, would she work so hard at statewide issues? Also, there was the survey commissioned last year by the local NWPC chapter, with McPeak sharing the cost. Influential people around the state were asked to name potential women candidates for state constitutional office in 1986 and McPeak was one of the top five. (The others were Secretary of State March Fong Eu, San Francisco Mayor Dianne Feinstein, Assemblywoman Maxine Waters and Senator Diane Watson.)

McPeak herself insists she is thinking no further ahead than 1986, when she will be up for a third term as supervisor. She hasn't "discounted" the possibility of running for statewide office, but public life is rigorous and the 36-year-old mother of two says she might return to the private sector.

But many take such statements with a grain of salt. So widely held is the belief that she aspires to be the state's first woman governor that some view her every move as part of a well-calculated grand strategy. "She has total tunnel vision," says one local elected official, "and at the end of the tunnel is her and very little else."

Statements like that, rarely made in public, anger McPeak. She sees herself as having lots of drive but no untoward ambition. "The way it (the word 'ambition') is usually meant in politics, particularly as it is applied to a woman, is that you place personal gain above the public trust. I detest that word," she says. "It is not accurate when it's applied to me."

According to McPeak, her public efforts are the outward signs of a political identity that began taking shape on the 80-acre dairy farm in Merced County where she grew up. "Our neighbors were part of the conservative Democratic farming belt," she recalls, "and that talk was always around me."

She also remembers politics as fun. The year was 1956 and the Democratic convention in Chicago had renominated Adlai Stevenson for president. "Everybody on the farms gathered at our house because we had a TV, the first TV. It was potluck. I enjoyed it because it was fun. We had a party and on the farm you don't have many parties."

Whatever aspirations those early experiences may have inspired remained dormant until her college days at UC-Santa Barbara. Spurred in part by a high school counselor, who said she was more a bookworm than a leader, McPeak plunged into campus politics and was elected to class office all four years (the last two as president). This being the late 1960s — a time of awakening social consciousness — she also helped organize student-taught courses on racism and a student project that brought running water to a nearby Indian reservation.

The very first day of freshman calculus, she met someone who has come to be her strongest supporter. Marriage was "just the farthest thing from my mind," she says now, but there was Vietnam vet John McPeak looking for "someone to help him with his homework." They were wed the summer before her senior year, and after graduation moved to Contra Costa. John took a job with the phone company, and Sunne earned a master's in public health at UC-Berkeley.

Her political lessons resumed after she got her first job, as director of a community-health program in Pittsburg, California, and later as a management consultant writing grants and trouble-shooting for public-health agencies. The health field, she found, was "pervaded with politics." John encouraged her to "go out and get involved," so she took a post on the city planning commission in Pleasant Hill and became active in state and local campaigns.

She also was active in the Contra Costa NWPC which in 1978 was out to unseat County Supervisor Warren Boggess, a traffic reporter for San Francisco radio station KSFO who opposed the formation of a county commission on the status of women. The caucus threw all its energies behind McPeak, and her stunning upset is still celebrated as a dramatic demonstration of the power of the women's

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network. (Boggess' wife delivered the traffic reports during the campaign after McPeak demanded equal time.) McPeak was unopposed for a second term in 1982.

Peripheral Canal

Because of Contra Costa County's intense interest in the quality of water in San Francisco Bay, McPeak quickly became involved in the battle over the Peripheral Canal — the proposed waterway for carrying additional Northern California water to the South. An opponent, she was instrumental in forging the unlikely alliance between Northern California environmentalists and Central Valley farmers that was so critical to the defeat of the proposal.

Some suggest McPeak may someday regret having taken on such a contentious issue. Consensus on California's conflicting water demands is not just elusive — it's a contradiction in terms; and McPeak's close identification with the North could prove costly in the South should she seek statewide office.

More likely to build good will both north and south are McPeak's efforts on behalf of local government. As chair of the Coalition for Local Governance (which includes CSAC, the League of California Cities and three associations representing public schools and colleges), she is pushing a constitutional amendment that would dedicate certain tax streams to local agencies. Understandably appealing to local officials, the idea has yet to generate much enthusiasm in the Legislature.

Of all her crusades, McPeak's favorite is also her least visible. It is CSAC's Public-Private Partnership Project. Dismissed by some as nothing but a bunch of catchy buzzwords, it is hailed by McPeak as the blueprint for a "new era of governance." She calls it a "dramatic departure" that rejects both free-spending welfare-state liberalism and the dogmatic "less-government" mandate of Proposition 13, seeking instead to encourage greater local control and private sector initiative.

Central to it is the elementary sociological concept of "mediated structures" -- groups that "mediate" between individuals and society. "We all relate to groups — the neighborhood, the churches, the family, ethnic groups, clubs. We are social beings in associations, the idea being, therefore: if you want to solve problems, a more effective way of doing it is working through those structures that we all relate to naturally."

Government, then, should be less a provider than a facilitator of services, identifying needs and resources, and bringing the latter to bear on the former. "The partnership is really between the electorate and those who are elected to represent them. So often — the Reagan administration makes this mistake constantly — the partnership is between government and business. That's not what we're talking about," she says.

Among the "partnerships" honored at a CSAC awards dinner last March were a San Francisco food bank, a public-private venture that resurrected a Shasta County lumber mill and an "urban forest" program that aims to plant a million trees throughout greater Los Angeles. A "quiet revolution" is taking shape, says McPeak, and the project's role is to foster it.

The project has drawn little attention, perhaps because its principles are too abstruse for mass consumption, but some have taken note. U.S. Senator Gary Hart's people can spot a "new idea" when they see one, and it was they who drafted McPeak for the Democratic Party platform committee.

Critics

Not surprisingly, McPeak has her critics. "I sense a person who really wants to be governor, president or whatever, and really will do anything to get there," says one state legislator. "You don't jump on every issue that comes along because you necessarily believe in these things, but perhaps because you're going to get some p.r."

That view is shared by some who worked closely with McPeak on the Peripheral Canal fight. Political consultant Lorrell Long of Penryn, the other co-chair of the referendum drive, says McPeak was "most interested in getting the limelight and keeping control." Extremely wary of the potential financial risks, she had to be persuaded to take a leadership role, contends Long, and then was chiefly concerned with "where the microphone was, where the camera was and whether her voice carried over everyone else's." ("I don't think that was the case at all," responds McPeak.)

Disputes over the use of campaign funds created a deep rift between McPeak and other referendum leaders, and only the need for a united front kept the differences from being publicly aired. Some environmentalists were never fully comfortable with McPeak's wooing of agri-business dollars and suspected she was perhaps laying groundwork for future endeavors.

Her actions as county supervisor have led others to express similar misgivings. In a county teeming with development, McPeak has successfully curried favor with both builders and labor, and her reliance on their campaign contributions has lost her support elsewhere. Advocates of campaign reform, who wanted supervisors to abstain from votes affecting their contributors, felt betrayed when McPeak would consent only to much milder controls.

Still, her detractors are in the minority, and others are quick to defend her. Some say she is cast as overly ambitious only because men are intimidated by her super-competence. "I think that probably is the albatross of women seeking office," says Betty Smith, Northern California chair of the state Democratic Party. "We're always considered either too aggressive or too bitchy (while) men are considered aggressive and determined."

Ann Charles, the Marin County pollster whose survey declared McPeak a viable statewide candidate, sees the same phenomenon. "There is no problem with a man sitting in a smoke-filled room and planning where he's going to go," Charles says. "Women are not given the same permission to be political."

In any case, everyone but McPeak seems to think she is running for something. And if indeed she has set her sights at the top, she may soon be approaching a critical juncture. A third term as supervisor is hers if she wants it, but it could be tough to sustain her upward momentum for another four years. For one thing, her term as president of the supervisor's association ends in November.

Still, a third term at the local level in 1986 may be her only safe bet. Contra Costa's legislative seats are pretty well locked up for the time being, and despite everything in her favor — name recognition, contacts around the state, good rapport with key Democrats and the enthusiastic support of a grassroots women's network — a statewide run would be a risky venture.

McPeak points out that her commitment to public service is fundamental, but public office is not the only way to serve. She has, she says, "a real fascination for what's happening in the changing business world" and might like to try serving the public good from the private sector. The idea is attractive for several reasons, not the least being the chance to spend more time with her family. Currently, she sits on the board of directors of First Nationwide Savings and has expressed interest in the field of finance. "Sometimes, it's just nice to bake cookies and have a clean floor."

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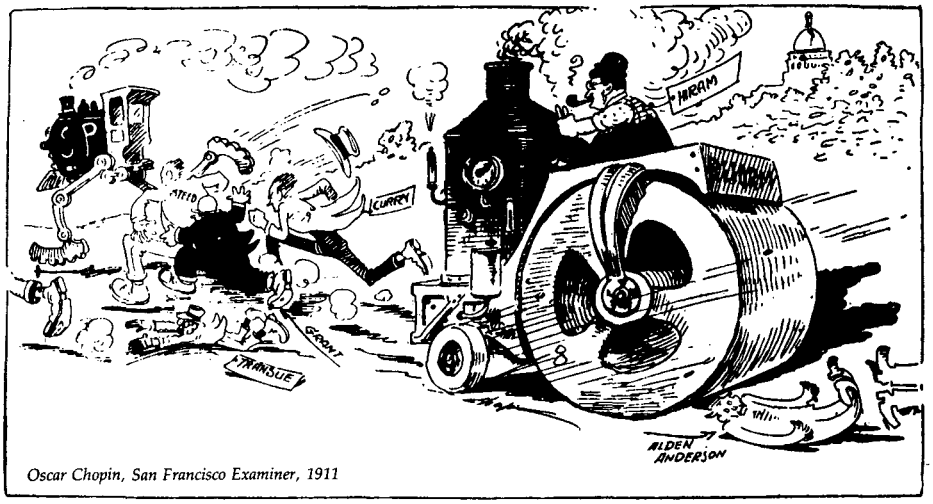
Protestant reformers who thought politics was sin



Oscar Chopin, San Francisco Examiner, 1911

Editor's note: There are six initiatives on the November ballot, each seeking voter approval for some momentous change. Howard Jarvis, Paul Gann and others are planning more. In effect, initiative sponsors are becoming California's political leaders. The state's elected officials — the governor and the Legislature — are being thrust into supporting roles. How did all this start? Who were the people who created this process and what were the evils they sought to remove? John F. McFarland, a professor of history at Sierra Community College, gives an answer.

By JOHN McFARLAND

If the initiative is seen by many Californians today as not merely transcending but as actually disrupting state politics, that was after all its original purpose. The reformers who designed it seventy-five years ago intended it as one of several devices that would dissolve the monopoly grip that politicians had on government. To that end, "the Progressives," as these reformers were called, hoped to purify politics by turning its control over to the people.

California's "Progressives" were the product of an immigrant wave that by 1910 was giving the state a new personality. Earlier immigrants had been drawn by the discovery of gold and had come from Europe, Asia and East Coast cities like New York. The newcomers, drawn by the promise of prime agricultural land, came from the small towns and farms of the Midwest. While the percentage of Californians who had been born out-of-state was as high in 1910 as it had been in 1850, the immigrants now listed places like Iowa and Kansas as their former homes.

For the most part, they went south. In the past, immigrants had encamped on a wide belt of land from the San Francisco Bay area east toward the gold fields of the Sierra. The more recent arrivals, however, moved to farming communities south of the Tehachapis. So many of them planted vegetable and citrus crops that, in the new affluence, Orange, Riverside and Imperial counties were formed. Other immigrants transformed sleepy crossroads into burgeoning towns that looked, for all the world, as though they belonged in Nebraska or Indiana.

These midwesterners transformed the southland. Once overwhelmingly Catholic, Los Angeles by 1910 had become 56 percent Protestant. More important, they were Protestant evangelicals, fundamentalist believers in salvation through personal conversion and attention to the word of God. Priestly intermediaries and rituals merely separated man from his Maker and were unnecessary if not downright corrupt.

Translated into the workplace, these beliefs meant that labor unions were unnecessary intermediaries between the worker and his boss. Furthermore, unions were often dominated by "priest-ridden" Roman Catholics and the foreign-born. And as if that weren't enough, unions were an economic threat to the small businessmen that many of these midwesterners had become.

Politicians and political parties also seemed like unnecessary intermediaries between the people and their government. Even those who had been elected to represent the people were suspect if only because the temptations of power were so great.

In addition to their suspicion of intermediaries, the evangelicals had a belief that perfection, or something close to it, could be achieved on Earth if only identifiable evils could be removed. As a result, they had a natural bent toward reform. If, for instance, liquor could be prohibited, men would work harder, poverty would be reduced and families would be restored.

The same evangelical perfectionism sought to elevate and purify politics, and by 1903 Progressives in Los Angeles had shown the way. They had initiated an anti-union drive, closed the city's gambling halls and outlawed Sunday saloons. More important in that year, voters in the city adopted a charter that diminished the role of intermediaries by giving citizens the initiative and the referendum. Through the former, they could enact laws themselves; through the latter, they could repeal those enacted by their representatives.

In that year, the city of Los Angeles also became the first government in the world to institute the recall — a device to remove an elected representative from office at any time during his term. It was used with immediate success

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against a city councilman.

Essentially, the political fervor of these Angelenos identified morality with small-town values. "There is nothing ethical about the labor union," wrote an Angeleno Progressive. "It is coercion from start to finish." And more sweeping yet, the reformist *California Weekly* editorialized: "Nearly all the problems that vex society have their sources above or below the middle class man. From above, come the problems of predatory wealth. From below, come the problems of poverty and of pigheaded and brutish criminality."

Yet when Angelenos looked North, it seemed that their adopted state was itself controlled by the "predatory" wealthy and the "brutish" poor. Two symbols of corruption, San Francisco and the Southern Pacific Railroad, seemed the logical next targets for the reforms that had saved Los Angeles.

San Francisco — its population 68 percent foreign-born and only 15 percent Protestant, its labor unions probably the most powerful in the nation — appeared to be founded on graft. Abe Ruef, the city's French-Jewish political boss, had been heard to observe that San Francisco supervisors were so avid for payoffs that they would "eat the paint off a house."

A 1906 trial of San Francisco officials for bribery dramatized the problem. First, Boss Ruef attempted to save the defendents, all of them cogs in his political machine, by firing the district attorney and appointing himself to lead the prosecution. When that failed, some of the prosecution's witnesses were suborned and documents stolen; jurors were bribed and a crusading newspaper editor kidnapped. Finally, the special prosecutor was shot in open court. After a young attorney named Hiram Johnson replaced the critically-wounded prosecutor, the assailant died mysteriously in a San Francisco jail.

The Southern Pacific Railroad practiced a more subtle form of graft. Its profits depended on friendly governments and to that end it maintained a political bureau. Cyrus P. Huntington, one of the road's founders, revealed the function of the bureau when, in an 1877 letter, he observed: "If a man has the power to do great evil and won't do right unless he is bribed, I think . . . it is a man's duty to go up and bribe the judge." At another time, speaking of the California Legislature: "The boys are very hungry, and it will cost us considerable to be saved."

In a three-decade period, 1880 to 1909, not a single piece of legislation that the Soutehrn Pacific opposed became law. Even a "watchdog" Railroad Commission was easily domesticated when only friendly members were appointed. And the railroad controlled judicial appointments so absolutely that, from 1895 to 1910, the SP lost only 18 of 75 cases before the state Supreme Court.

Indeed, by 1910 the SP's corrupt ways and high rates were under attack statewide; from the lumbering, truck farming and new oil industries; from newspapers as diverse as the *Fresno Republican, Los Angeles Express, Sacramento Bee* and all four San Francisco dailies. Despite their differing politics, they spoke as one against what novelist Frank Norris called "The Octopus."

Yet the pen was not enough of a weapon. For all the written exposés of political shenanigans, the Legislature could not be shamed into acts of principle, nor could the SP be tamed. But reform was in the air and by 1908, a caucus of reformist Republicans was being formed.

The caucus took, in emulation of Theodore Roosevelt, the name "Progressive," but its program was largely that of the Los Angeles reformers: the creation of a moral, democratic form to return power to the people. Its members soon found a talented champion: Hiram Johnson, the plumpish, bespeckled attorney who had taken over the prosecution in San Francisco and who was the son of conservative Grove Johnson.

Despite Grove's stormy denunciations, Hiram's uncorruptibility struck a resonant note with the state's Republicans. But his election of 1910 was essentially a victory of a political region. Johnson carried every county south of the Tehachapis and much of the San Joaquin Valley, the first clear victory over Northern California. His campaign also swept into office a Progressive majority in the Legislature. The work of these new lawmakers in the legislative session of 1911 is counted by historians as the most productive in California history.

First, the reformers dealt with the Southern Pacific. They granted the tame Railroad Commission broad new powers to establish rates and standards of safety, and Johnson appointed commissioners whose rulings soon saved SP users an estimated $2 million a year.

But more important were the political reforms. Progressives held as doctrinal a faith in the instincts of the people, whose basic decency could insulate government against the corrosions of power. Women's suffrage, passed in 1911, was secured partly because they believed "the fairer sex" to be more idealistic than men in the polling booth.

It is true that the Progressives showed some restraint in designing the initiative. As originally drafted, the law would have allowed any initiative to qualify for the ballot when only 50,000 signatures had been secured. Thus, as the population grew, qualifying would become proportionately easier.

However, to prevent cranks from cluttering the ballot with worthless or dangerous measures, the Progressives finally decided that a successful initiative petition should sport signatures to equal to eight percent of the number of ballots cast in the previous gubernatorial election.

Opponents of the change noted that, with time, access to the ballot would be available only to well-funded operations. Yet even they did not foresee that the provision would give rise to the business of ballot-qualifying, even to the profession of initiative-reformer.

The Progressives were far less restrained in their assaults on political parties. The direct primary was designed to eliminate the political boss as an intermediary between the candidate and the people — just, as one obviously Protestant reformer put it, as Luther had dispensed with the Pope. The recall, by granting voters the judicial power to shorten tenure, would discipline office-holding backsliders.

Progressives split

Ironically, in its moment of triumph, Progressivism split. The moralism that fueled its early surge had both reformed politics and placed controls on saloons, horseracing and slot machines. But Johnson responded as well to the plaints of organized labor, to the need for job safety, maximum hours and for controls on work done by women and children. Southland Progressives opposed such measures and slowly Johnson's electoral base shifted North. By 1916 it was ethnic San Francisco and no longer evangelical Los Angeles whose votes proved decisive in his victories.

Johnson could appreciate the need of working people for help, partly because he believed in a strong, regulatory government. For that reason, if no other, he and his fellow Progressives would have thought little of the activities of Howard Jarvis and Paul Gann. But Jarvis' reliance on TV and radio matches the Progressives' use of newspapers to reach the voters. And the Progressives would have had to allow that Jarvis and Gann had turned from "the politicians" to the people for political wisdom.

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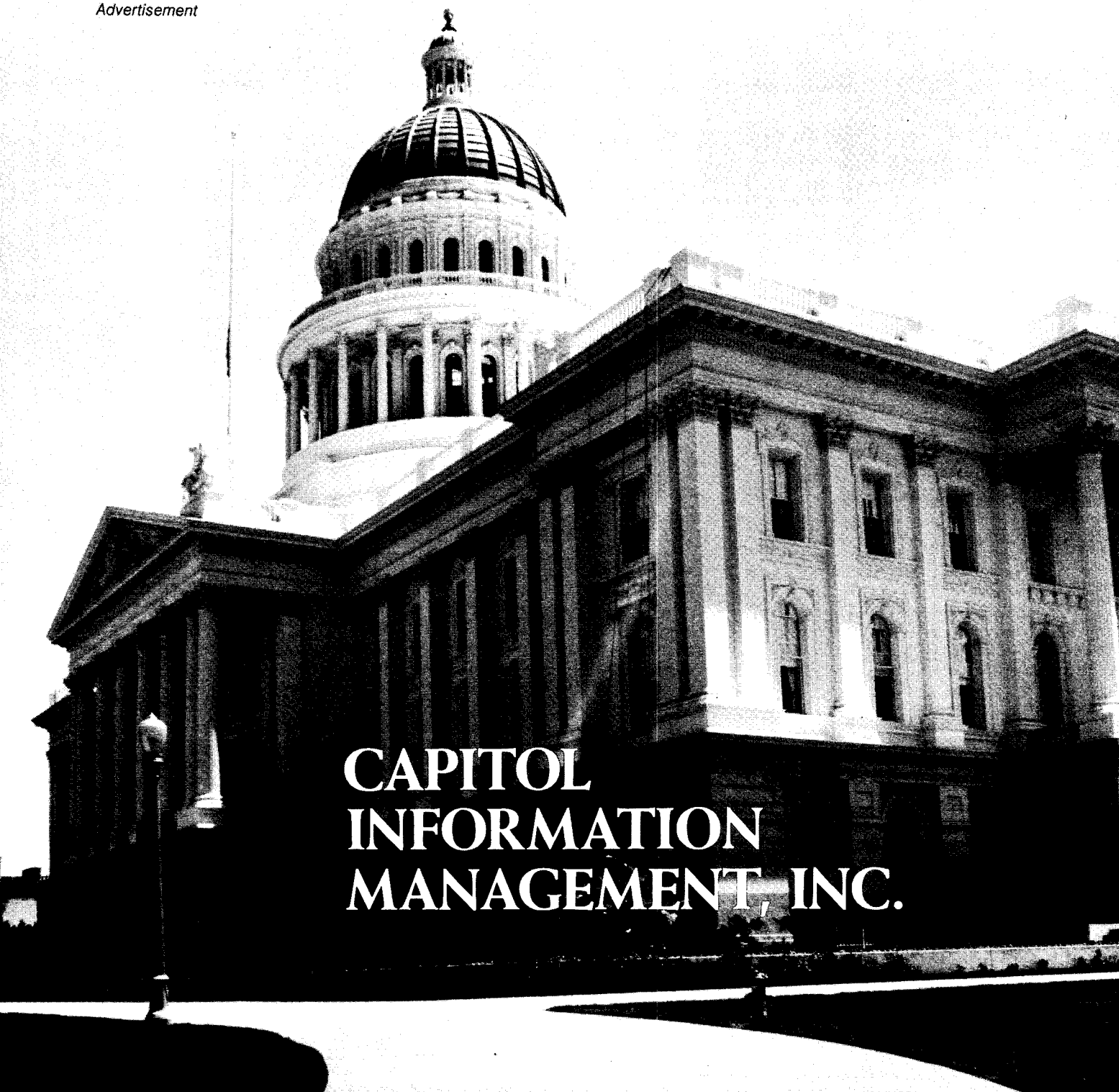

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PHOTO BY JOHN PALMER

BALLOT PROPOSITION ANALYSIS

November 1984

Devoid of statewide races and carrying few hot contests for the Assembly, Senate and Congress, the November ballot nevertheless could produce enormous changes in state government and politics. Indeed, the changes could be even more momentous than those generated by the 1978 passage of Proposition 13. The reason is the 17 ballot propositions that voters will confront. Although the majority are relatively routine, there are several initiative proposals that could affect not only state finance — as did Proposition 13 — but basic political powers as well.

The propositions are divided into three groups: The first six (Propositions 25 through 30) seek voter approval for $1.65 billion worth of bond issues, the biggest of which, for $650 million, would finance another round of low-interest farm-and-home loans for California veterans. The next four (Propositions 31 through 34) would make relatively minor changes in the state constitution. However, policy arguments are involved.

There were to have been seven initiatives on the ballot (Propositions 35 through 41), put there by various citizen groups and proposing major changes. However, the state Supreme Court removed one, Proposition 35, saying that its call for a balanced-budget amendment to the U.S. Constitution was unconstitutional. Except for the lottery proposal, the remaining six spring from politically conservative sources and would not only reduce taxes and spending but would strike at liberal Democrats through redistricting and campaign-finance reforms (see "Double Trouble for Democrats," *California Journal*, September 1984).

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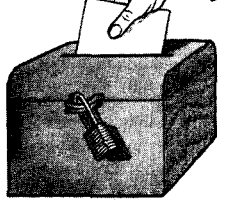

25 CLEAN WATER BOND LAW

This measure would provide for the issuance of $325 million in general obligation bonds for water pollultion control, water conservation and water reclamation projects.

Background: A 1982 survey, conducted by the federal Environmental Protection Agency, estimated that the current cost of bringing California's publicly-owned sewage treatment plants into compliance with state and federal regulations would be nearly $3.2 billion, with another $2.3 billion needed by the year 2000. Under the Clean Water Act, the federal government picks up 75 percent of such costs through grants to local agencies, with the balance shared between the state and the agency. But after October 1st, the federal share dips to 55 percent. The state's share has been paid from an $875 million kitty raised from three bond measures approved during the 1970s. By July 1986 that entire $875 million will have been spent or committed to specific projects.

Proposal: If enacted, Proposition 25 would replenish the kitty with $325 million in state general obligation bonds. Of this amount, $250 million would be used for the state's share of federally assisted sewage plants. Another $40 million would go to help construct plants in small communities (less than 5000 population) that face a financial hardship. The State Water Resources Control Board would make allocations under both programs. The rest of the money ($35 million) would go for a water-reclamation loan program, water conservation programs and administration. Interest payments (at 10 percent a year) would cost the general fund $17.1 million per year.

Arguments for: Proponents — led by Assemblymen Jim Costa and Bill Leonard and supported by environmental groups — argue that pollution control is necessary to protect the state's water resources. A bond issue, they add, is the best way to pay for that control because it spreads the state's payments out over 20 or 30 years rather than the one or two year time of construction. The proposal, which received only one dissenting vote in the Legislature, also means jobs in the construction industry, they claim.

Arguments against: The measure is opposed by the Legislature's only dissenting vote — GOP Assemblyman Don Sebastiani — who argues that the proposal is worth-while but should be funded with existing state revenues and not through a bond issue. Sebastiani says the state's bond indebtedness is already too large and will place too great a burden on future generations.

26 STATE SCHOOL BUILDING LEASE-PURCHASE BOND LAW

This measure provides for the issuance of $450 million in general obligation bonds to construct or improve public schools

Background: As of July 1984, California school districts had applied to the state for $450 million worth of school construction and another $400 million in rehabilitation projects. Before Proposition 13 passed in 1978, districts paid for construction by issuing bonds or by obtaining loans from the state. But Proposition 13 in effect ended the ability of school districts to issue construction bonds, throwing the entire burden on the state. To meet this, the Legislature created a program in which the state finances 90 percent of construction, then rents the facility to a district for a nominal fee. In 1982 voters approved a $500 million bond issue to help finance the program. The Legislature has also appropriated revenues from sale of state tidelands oil. When originally passed by the Legislature, this measure called for a $600 million bond issue. But Governor Deukmejian vetoed it — along with one for Cal-Vet loans — because the cumulative total of all bond measures was greater than his self-imposed $1 billion ceiling. Although upheld in the Assembly, the Senate embarrassed the governor by overriding his veto before a compromise was worked out.

Proposal: If enacted, Proposition 26 would authorize the sale of $450 million in general obligation bonds to finance the State School Building Lease-Purchase program. It would also authorize the program to borrow up to $450 million over the next two fiscal years from the state general fund to finance school construction, repaying the money with revenues from the sale of Proposition 26 bonds. No more than $200 million may be used for reconstruction or modernization of existing facilities, with the balance going for new construction. Interest payments, estimated at 10 percent, would add $23.6 million per year to the overall cost of the program.

Arguments for: Proponents — including Superintendent of Public Instruction Bill Honig, former Controller Houston Flournoy and state Senator Leroy Greene — say the money is necessary because many school districts in California desperately need to build or remodel their facilities — to the tune of $3 billion statewide. Rural and suburban areas are being overwhelmed, they claim, with additional students, requiring shortened school days and larger classes, while the need to rehabilitate older, urban schools is growing at the rate of $350 million a year.

Arguments against: Assemblymen Don Sebastiani and Dennis Brown argue that the state's bonded indebtedness is already too great and that many of these construction projects could be funded through the state's general fund or other state funding mechanisms. The lawmakers say that Californians are creating an unwise financial burden for their children and grandchildren.

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27 HAZARDOUS SUBSTANCE CLEANUP BOND ACT

This measure would provide for a general obligation bond issue of $100 million to provide for hazardous substance cleanup.

Background: The cost to clean up a hazardous-waste site can range from $100,000 to $40 million, with the average somewhere around $7.5 million for a site on the EPA's priority list. There are 19 such sites in California, plus another 93 on the state's priority list. A large portion of these sites are toxic dumps that leak pollutants into groundwater. The California Superfund, set up in 1981 to help pay for cleanups, is supported by the Hazardous Substance Account which receives $10 million a year in tax revenues paid by those who generate waste material. Other cleanup money comes from matching grants from the federal Superfund and from penalties recovered from those responsible for the contamination.

Proposal: Proposition 27, if approved by voters, would authorize the sale of $100 million in general obligation bonds to speed the cleanup of contaminated sites. The bonds, and the interest on them, are to be repaid from several sources including the federal Superfund, the state Hazardous Substance Account, recoveries from those responsible for contamination and appropriations from the state general fund. The measure requires the attorney general to recover cleanup costs from contaminators and makes the Department of Health Services and the Water Resources Control Board responsible for approving cleanup plans for all Superfund sites. The Hazardous Substance Account tax would increase from $10 million to $15 million per year. Assuming a 10 percent rate, interest on the bonds would cost the state about $5.25 million a year.

Arguments for: Proponents — including Governor George Deukmejian, Assemblyman Patrick Johnston and state Senator Bill Lockyer — say the cost of cleaning up state hazardous waste sites ranges from $300 million to $1.5 billion. Since the state sets aside only $10 million a year for cleanups, the job could take well into the next century. Toxic wastes, they argue, won't wait but will continue to contaminate the environment. Since the bonds will be paid off by those who produce waste, taxpayers will not bear any of the burden.

Arguments against: There were no arguments filed in opposition to Proposition 27.

28 CALIFORNIA SAFE DRINKING WATER BOND LAW

This measure provides for a general obligation bond issue of $75 million for improvement of domestic drinking water systems.

Background: The Department of Health Services estimates that $220 million is needed to bring 46 of the state's largest local water systems into compliance with certain state health standards. The department also indicates that 400 small water systems are sub-standard as well. The cost for all this is estimated at between $40 million and $60 million. Since 1960, when voters approved the California Water Resources Development Bond Act, the state has constructed or helped finance local water supply systems through bond sales. A second bond measure, passed in 1976, created the California Safe Drinking Water Fund and provided $175 million for loans and grants to improve domestic water systems. As of June 30, 1984, requests for funds exceeded the $20 million left from 1976 funds.

Proposal: If enacted, Proposition 28 would authorize the state to sell $75 million in general obligation bonds, with proceeds deposited in the California Safe Drinking Water Fund. One-third of the money could be granted to qualified public agencies that are unable to repay the loan, while the remaining funds would be used for loans to agencies that could repay them, administrative costs incurred by the departments of Health Services and Water Resources and for legal expenses. Assuming a 10 percent rate, interest payments would amount to $3.9 million annually.

Arguments for: Proponents — led by Governor Deukmejian and Assemblymen Jack O'Connell and Steve Clute — say that the state has a fundamental responsibility to ensure safe drinking water, and that the water systems in many communities fail to meet minimum federal or state safety standards. This 1984 bond act will assist communities in modernizing their water systems and avoiding threats to their populations from contaminated water.

Arguments against: Libertarians — including their presidential candidate, David Berglund — say that the state should not bear the burden of paying for clean water. That is a responsibility of those who consume the water, and it is the choice of voters in the affected communities whether or not to pay for clean water. With Proposition 28, all California taxpayers will have to pay.

29 THE VETERANS BOND ACT

This measure provides for issuance of $650 million in general obligation bonds to provide low-interest farm and home loans for California veterans.

Background: Since 1921 voters have approved the sale of nearly $5.1 billion in general obligation bonds to finance a loan program for California veterans. The bond revenues are used by the Department of Veterans Affairs to provide low-

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interest farm, home and mobile-home loans. Originally, the Legislature approved an $850 million veterans' bond issue. But it was vetoed by Governor Deukmejian (along with another bond for school construction) because the governor wanted no more than $1 billion in bonds on the November ballot. The governor and lawmakers eventually compromised on a $650 million veterans' bond after the governor abandoned his $1 billion ceiling.

Proposal: If enacted, Proposition 29 would authorize the state to sell $650 million worth of general obligation bonds to continue the veterans' farm and home loan program. Interest payments, at an assumed 10 percent rate, would cost an estimated $34 million annually.

Arguments for: Proponents, including Democratic Assemblymen Richard Alatorre and Steve Clute, say that California has a 63-year tradition of supporting Cal-Vet loans at no cost to the taxpayer. The entire program, they say, is self-supporting because all principal, interest and administrative costs are covered by farm and home payments from veterans. The 1984 act, if approved, would provide 9500 low-interest loans that would not only help veterans but also stimulate jobs by giving a boost to the state's housing industry.

Arguments against: Liberterian presidential candidate David Berglund argues that Californians owe no special debt to veterans. While military duty is hazardous, he says, so is police work and fire-fighting. Finally, he says that the sale of bonds by the state drives up interest rates for all Californians.

30 THE SENIOR CITIZEN BOND ACT

This measure provides for the sale of $50 million in general obligation bonds to fund senior-citizen centers.

Background: Back in the 1978-79 fiscal year, the federal government gave California $3.5 million specifically for senior-citizen centers. Since then, however, the federal government has granted the state a block of money for senior-citizen programs but allowed the state to determine how the money will be used. The state has chosen to use it for services and administration, with a total of only $303,400 spent for centers in all 33 of the state's service-delivery areas in 1983-84. The centers themselves are gathering places where older people may receive meals and counseling or may participate in recreational activities. Most of the services are funded through the state Department of Aging, which administers over $81 million in combined federal and state money earmarked for seniors.

Proposal: If enacted, Proposition 30 would authorize the state to sell $50 million in general obligation bonds to finance the purchase, construction, expansion and renovation of senior-citizen centers. The measure also allocates bond funds among the state's 33 planning and service areas and provides for redistribution of money if one area is unable to use all its allocated funds. Area agencies would be required to submit proposals to the Department of Aging, and would be required to produce 15 percent of each center's total cost.

Arguments for: The measure is sponsored by state Senator John Garamendi who says that a recent survey indicated the need for over $160 million to fund centers for the state's 3.7 million seniors. Centers are important, he argues, because they often provide the only social gathering place for elderly people and a focal point for giving seniors an access to services like meals and recreation.

Arguments against: Republican Senator Ollie Speraw argues that the need for these centers has not been demonstrated. Seniors, he argues, are not neglected because no less than 18 state agencies currently administer 29 separate programs for elderly citizens.

31 THE FIRE AND LIFE SAFETY AMENDMENT

Under this measure, the addition of a fire-prevention system would not increase the assessed value of property until the property changed hands.

Background: Under Proposition 13 of 1978, the value of a property, which is the basis of the property tax, may be revised upward only when there is new construction on the property or when the property changes ownership. In the case of modifications or additions to existing property, only the portion that underwent new construction could be reappraised for tax purposes. Thus, under current law, if a new fire sprinkler-system were added to an existing structure, the assessed value of the building would be increased to reflect the value of the system.

Proposal: If Proposition 31 is enacted, the construction of a new fire-prevention system would not increase the assessed value of a building until the building changed hands. The systems include sprinklers, extinguishers, smoke and fire detectors and fire-related egress improvements (like fire escapes or chutes). The loss of property tax revenue statewide is estimated at less than $5 million annually. Proposition 31 is a constitutional amendment placed on the ballot by the Legislature.

Arguments for: Proponents like state Senators Dan Boatwright and Milton Marks argue that Proposition 31 will allow property owners to make fire-safety improvements to existing structures without triggering a property tax reassessment that many of them cannot afford. The improvements themselves are necessary, proponents say, because too many people are hurt or killed each year in residential and commercial fires. A similar measure, exempting earthquake safety improvements, was approved by voters in June 1984 (Proposition 23). Proposition 31 is also supported by the California Fire Chiefs Association and the League of California Cities.

Arguments against: Attorney Timothy Weinland of Sacramento argues that Proposition 31 will mean a special tax break for commercial property owners and almost nothing for homeowners. Fire sprinkler systems enhance the value of commercial property and should not be treated like home improvements for the purpsoe of tax assessment. Commercial property owners deserve no special treatment.

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32 CALIFORNIA SUPREME COURT REVIEW OF DECISIONS

This constitutional amendment would allow the state Supreme court to review all or part of a lower court decision.

Background: The state Constitution establishes responsibilities for the Supreme Court. Generally, the Court may hear appeals from decisions made by courts of appeal and death-penalty appeals from superior courts. If the Supreme Court decides to hear an appellate court appeal, case law dictates that the Court must consider the entire appellate decision. In other words, if a case involves several issues, the Court must rule on each of them.

Proposal: Proposition 32, a Constitutional amendment placed on the ballot by the Legislature, would allow the Supreme Court to review all or part of a lower court's decision. Thus, the Court could review only that part of a case it deemed most important, leaving intact a lower court's decision on other issues. This measure would not apply to death-penalty cases. Proposition 32 would also allow the Court to reverse its decision to hear a case and instead return it to a lower court. If this initiative passes, the Judicial Council would have until April 6, 1985, to adopt rules to implement it. The Council has the constitutional responsibility to make rules that govern court procedures and practices.

Arguments for: Led by Attorney General John Van de Kamp and state Senator Diane Watson, proponents argue that Proposition 32 would streamline the state Supreme Court's appellate procedures and bring them into line with those of 48 other state high courts. The current procedure, they say, increases the Court's workload by forcing it to review every issue raised before a court of appeal. The Supreme Court should not have to deal with every technical issue in every case before it, thus wasting its time by duplicating the work of the courts of appeal. The measure is also supported by the State Bar and by the California Taxpayers Association.

Arguments against: This measure is opposed by GOP Assemblyman Bill Leonard who claims it is a power grab on behalf of Supreme Court justices. Leonard argues that Proposition 32 will make it easier for the court to write new law by increasing its ability to pick and choose cases.

33 PROPERTY TAX POSTPONEMENT FOR DISABLED PERSONS

This Constitutional amendment would allow disabled and blind persons to defer property-tax payments.

Background: The state Constitution now authorizes the Legislature to allow qualified, low-income senior citizens to postpone property tax payments on their primary residences. The state pays the property tax to whatever local agency assessed it and is repaid, with interest, when the property is sold. To qualify, a person must be at least 62 years old, live in the place being taxed, have at least 20 percent equity in the property and have a limited annual income.

Proposal: Proposition 33, the third constitutional amendment placed on the ballot by the Legislature, would authorize the Legislature to extend deferred property-tax payments to disabled (including blind) persons, regardless of age. Under enabling legislation (AB3737) enacted in August 1984, the Legislature defined a disabled person as one whose mental or physical impairment precludes substantial employment, and a blind person as one whose vision is correctable to no better than 20/200. The legislative analyst estimates that, if passed, this measure would cost the state less than $2 million a year, with that money replaced as affected properties are sold.

Arguments for: Led by Assemblyman William Filante, proponents argue that blind and disabled persons are often less able to pay property taxes than are senior citizens who already qualify for the deferred-payment program. By giving tax relief up front, Filante says, the state reduces a disabled person's need for direct governmental assistance. It will also help blind and disabled persons, who often must live on fixed incomes, to stay independent and productive.

Arguments against: No arguments against Proposition 33 were filed.

34 HISTORICAL STRUCTURES

Under this measure, modifications or reconstruction would not increase the assessed value of a certified historic building until the property changed hands.

Background: Under Proposition 13 of 1978, the value of property, which is the basis for the property tax, may be revised upward only when there is new construction on the site or the property changes hands. When existing structures are modified, only the modified portion may be reappraised for tax purposes. But Proposition 13 didn't apply to certified historic structures whose owners had agreed — under an historical-property contract with a city or county — to retain its historical characteristics for at least 20 years. The assessed value of these properties is based on their use rather than market value. Proposition 13 does apply, however, to modifications to these properties, and reappraisal of the modified portion results in an increase in assessed value.

Proposal: If Proposition 34 is enacted, Proposition 13 would

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not apply to modifications or reconstruction of an historical structure until it changed hands. This exemption would apply only to dwellings that the owner occupies as a principal residence and only those alterations that reconstruct historically accurate features of the building, provide handicapped access or are necessary to make the structure comply with safety codes.

Arguments for: Proponents, led by state Senator Milton Marks and Assemblyman Sam Farr, argue that current law penalizes people for preserving the historical character of their homes. As a result, they claim, many home owners are choosing to knock down these homes and replace them with modern dwellings. For example, they cite a study by the California Heritage Task Force that revealed that nearly half the homes built before 1940 have been lost to wrecking balls, fires and neglect. Proposition 33 will reverse that trend, they say, by making it more attractive for people to restore — rather than wreck — older, historically significant homes.

Arguments against: Attorney Timothy Weinland of Sacramento argues that Proposition 33 will only benefit a limited class of wealthy property owners. According to Weinland, very few people live in historically certified homes, and most of them are wealthy. Most older homes are not certified historical buildings and won't qualify for Proposition 33's ex-

35: THE PROP THAT WASN'T

For only the third time since World War II, the California Supreme Court took the unusual step of removing an initiative from the ballot before voters could decide its fate. On August 26th, the court voted 6-1 to strike down Proposition 35 — the so-called balanced-budget initiative. In 1983 the Court had stopped Assemblyman Don Sebastiani's reapportionment initiative while another initiative was removed back in 1948. The Court said Proposition 35 — which would have called for a convention to adopt a balanced-budget amendment to the U.S. Constitution — was unconstitutional because only state legislatures, not voters through the initiative process, can apply to Congress for a convention to amend the Constitution. Justice Malcolm Lucas, Governor Deukmejian's only Court appointee, dissented, arguing that the people do have the power to so direct the Legislature. Voters had seemed ready to exercise that power, for a poll released in mid-August showed that 72 percent favored the initiative. Proponents appealed the Court's decision to the U.S. Supreme Court, but Justice William Rhenquist refused to reinstate the initiative.

Proposition 35 — sponsored by Lewis Uhler and endorsed by, among others, the governor and Senator Pete Wilson — also had significance beyond California. Currently, 32 states have passed resolutions calling for a constitutional convention and only two more are needed before Congress must act. Balanced-budget resolutions are pending in such states as Montana and Michigan, and supporters felt that an overwhelming "yes" on Proposition 35 would have helped their cause elsewhere.

36 THE JARVIS "SAVE 13" INITIATIVE

This Constitutional amendment would tighten loopholes that its sponsor says have been punched in Proposition 13 of 1978 and would limit governments' ability to establish or increase fees.

Background: Howard Jarvis, the curmudgeonly crusader, has been complaining for some time now that the courts have been punching loopholes into Proposition 13, the renowned tax-cutting initiative he coauthored in 1978 with Paul Gann (see "Jarvis-Gann Initiative," *CJ*, May 1978). Although many might contend that the courts merely have been trying to make sense of the loosely drawn measure, the fact is that the supposedly rigid limits on property taxes, which were at the heart of Proposition 13, are a little less rigid than before. Similarly, there has been a weakening of Proposition 13's requirement that state and local tax increases be approved by a two-thirds majority in the Legislature or by two-thirds of voters at the local level.

And so Jarvis, now 82, is back with "Save 13," or Proposition 36 on the November ballot. The direct-mail petition drive that put it there produced close to one million signatures.

Nonetheless, Jarvis and his supporters have a big problem. In an attempt to prevent government from collecting excessive revenues in the form of new or higher service fees, Proposition 36 moves into an area that wasn't covered by Proposition 13. Proposition 36 would limit governments' ability to establish new service fees — such as for garbage collection — or increase old ones. Specifically, it would require a two-thirds vote of the Legislature or the local electorate before any state or local fee could rise more rapidly than last year's cost-of-living.

But this provision has aroused intense opposition from California's business and financial communities. Spokespersons contend that the fee limit might put a cap on government charges for such things as electricity, water, transit and hospital care. Thus, the government would have no money to construct new facilities, causing a slowdown or halt in overall growth and development.

Jarvis denies that Proposition 36 would have that effect, saying that electricity charges in Sacramento, for instance, where power is delivered by a public agency, would not be covered. However, opponents contend that the wording of his measure could easily be applied to such agencies, and they have launched a major campaign against him.

Proposal: Proposition 36 has a host of provisions, many of which have only limited application. Among the major requirements are those that would:

— overturn a 1982 decision by the state Supreme Court (*Car-*

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man v. Alvord) that allowed local governments to levy a higher property tax than was ostensibly permitted by Proposition 13. Proposition 13 said property taxes could not total more than one percent of a property's value unless a higher levy were needed to repay existing debt. Jarvis said this meant higher taxes would be permitted only to repay bonds previously approved by voters. But the Supreme Court said it also meant that higher taxes could be levied to make payments into government employee-retirement systems, which could be a huge amount. In Proposition 36, Jarvis reaffirms the one percent limit and says additions are permitted only for previously approved bonded debt;

— overturn a decision by the State Board of Equalization (approved by the courts) and refund an estimated $1.7 billion to owners who held property in 1975. Proposition 13 limits the property tax to one percent of value and says values may be increased by no more than two percent annually to cover growth. Jarvis said Proposition 13 required the two percent hikes to begin in 1978, the year the measure passed. But the board said the language of the measure required the increases to begin in 1975 — the base year for all property valuations. By specifying the 1978 date, Proposition 36 would require refunds — plus 13 percent interest — for owners who paid the two percent increments between 1975 and 1978;

— overturn a 1982 decision of the Supreme Court (*City and County of San Francisco v. Farrell*) that permitted payroll and business-tax increases at the local level without a two-thirds vote. In addition to its limits on the property tax, Proposition 13 required a two-thirds vote of the electorate before any "special taxes" could be imposed. Jarvis said a special tax was any tax other than a property tax. But the court ruled that the payroll tax was not "special" since its revenues would go into the city's general fund. Proposition 36 would drop the "special tax" provision and require a two-thirds vote for any new levy that is not a fee, assessment or fine;

— require two-thirds legislative or local electorate approval for any governmental fee increase that would exceed the increase in the cost of living for the previous 12 months. Proposition 36 defines "fee" as any charge by state or local governments to pay direct costs of services.

Fiscal Impact: According to the legislative analyst's office, Proposition 36 would cost local governments upwards of $2.3 billion during its first year, including the $1.7 billion tax-and-interest refund. The remaining $660 million would result from fee reductions and other property-tax reductions resulting from other provisions of the measure. (Intra-family property transfers would be exempt from Proposition 13's upward revaluation rule.) These losses would be partially offset by higher property-tax payments from owners who get no refunds. (Their taxes would be raised slightly to replace that portion of the refunds that covered bonded debt.) State income-tax revenues would increase because property tax refunds are income, but state expenditures would increase an estimated $500 million in 1985-86 because the state is required to replace revenue losses by school districts.

Arguments for: Proponent Jarvis argues that the intent of his 1978 initiative has been corrupted by court decisions. "There were no loopholes in Proposition 13," Jarvis told the *Sacramento Union*. "We didn't anticipate the (state) Supreme Court would change the definition of words like 'tax.' " Jarvis claims that Proposition 36 will reverse Proposition 13's erosion by applying strict standards for imposing fees at the local level and by not allowing politicians to raise any tax without a two-thirds vote of the electorate. Jarvis says that his initiative is not meant to restrict amounts that local governments can raise for such services as sewer and water, transportation, airports or waste disposal. Concerning criticism that Proposition 36 is unfair because it refunds money only to those who owned property before 1978, Jarvis says, "If you overpaid at the grocery store, they don't give the money to all their customers, they give it to you. There's nothing unfair about that."

Arguments against: Proposition 36 is opposed by a variety of groups (many of which supported Proposition 13 in 1978): the California Chamber of Commerce, California Roundtable, California Taxpayers Association, University of California Board of Regents, the Los Angeles Metropolitan Water District, California League of Cities, AFL-CIO and County Supervisors Association. A common argument is that the initiative forces those who purchased property after 1978 to pay increasingly more in taxes while those who purchased before 1978 would pay less. The Chamber argues that economic growth would be stifled because developers would have to pay for such things as sewer and water improvements now paid for with user fees and revenue bonds. UC Regents argue that Proposition 36 threatens the university's independence by requiring that all its fees be approved by a two-thirds vote of the Legislature. They also fear endless legal challenges to every university fee. Opponents like the Metropolitan Water District of Los Angeles say they will have a hard time selling bonds to finance water deliveries because the bonds are secured with fees.

37 CALIFORNIA STATE LOTTERY

This measure creates a state-operated lottery with 34 percent of revenues to go for support of public education.

Background: In May 1983 Mervin Field's California Poll indicated widespread support for a government-run lottery as a way for the state to raise money. This marked a turn-around in opinion, for California voters had once before rejected the idea of a lottery (Proposition 16 in 1964). Since then, California officials had repeatedly opposed the idea. Not so elsewhere. By 1983, 17 other states had adopted some form of lottery, prompting a spate of stories about multimillion dollar jackpots in places like Pennsylvania, New York and New Jersey. On September 3, 1984, one lucky person won $40 million in the Illinois State Lottery.

Arguing that a lottery would raise revenues without raising taxes, San Francisco attorney Barry Fadem launched Proposition 37 in January 1984. The petition drive was run by a group set up to handle the campaign — Californians for Better Education — and cost more than $1 million, most of which came from Scientific Games, a subsidiary of slot-machine maker Bally Manufacturing Corporation. Scientific Games had more than a passing interest in the success of the lottery drive, for the Georgia-based firm is the nation's largest manufacturer of lottery tickets and related paraphernalia. Their proposal, one of two lottery initiatives in circulation in 1984, promised as much as $700 million per year (or 34 percent of all revenues) for public education. (The other proposal, with revenues for home loans, failed to qualify.)

Proposal: If enacted, Proposition 37 would create a state-run lottery and a five-person commission to run it. The commission would decide the type of lottery to be held, frequency of drawings, amount of payoffs and other details. Its members — as well as a lottery director — would be appointed by the governor and subject to Senate confirmation. Tickets would be

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sold at retail businesses and cost a minimum of $1, while revenues would be divided as follows: 50 percent for prizes; 16 percent for administration; and 34 percent for public education, including higher education. The money, meant to supplement and not replace what the Legislature appropriates for education, is to be spent for educating students rather than for construction, buying property or research. Lottery winnings are not taxable by state and local governments, and minors may not buy tickets. Proposition 37 also amends the state Constitution to prohibit establishment of Nevada-style casinos.

Arguments for: Proponents — mainly Californians for Better Education — argue that a lottery would raise money for education without raising taxes. They further argue that the lottery provides a stable source of funding because the games do well even when a recession shrinks tax revenues. The promise of increased funding for education has brought endorsements from several large school districts (San Francisco, San Diego and San Jose, for instance) along with school superintendents and local teacher organizations. Proponents also cite overwhelming public support for a lottery, as evidenced by the poll of May 1983.

Arguments against: Opponents of Proposition 37 — including Governor George Deukmejian, Lieutenant Governor Leo McCarthy and Attorney General John Van de Kamp — argue that a lottery is a regressive way to raise revenue, because low-income individuals make up the lion's share of players and spend proportionately more of their income on the games. The governor also questions the stability of funding through a lottery, citing Arizona's $40 million decline in revenues between 1981 and 1983. Many law enforcement officials oppose the lottery because experiences in other states show that organized crime — operators of illegal numbers games — merely copy the state's winning numbers and divert customers with larger payouts. The California horse-racing industry also opposes the lottery because it may cause a decline in their business. Church groups — such as the Sacramento-based Coalition Against Legalized Lotteries — say that lotteries can promote compulsive gambling among those least able to afford it.

38 ENGLISH-ONLY VOTING MATERIALS

This measure requires the governor to write federal officials urging that federal law be amended so that voting materials be printed only in English.

Background: Among other things, the Federal Voting Rights Act — passed in 1965 and since amended — requires a county to prepare and distribute bilingual voting materials if more than five percent of its voting-age population belongs to one of four language-minority groups: American Indian, Asian-American, Alaskan Native or Hispanic. Currently, 10 of California's 58 counties meet the standard. California law requires that counties post appropriate bilingual election materials in a voting precinct if three percent of the precinct's voting-age population does not speak English.

Proposal: If enacted, Proposition 38 would require Governor George Deukmejian to write the president of the United States, attorney general of the United States and all membes of Congress urging a federal law to require that ballots, voters' pamphlets and all other official voting materials be printed in English only.

Arguments for: Proponents, including former U.S. Senator S. I. Hayakawa and San Francisco Supervisor Quentin Kopp, argue that foreign-language ballots are costly — more than $1.2 million statewide in 1982. They also claim that these ballots falsely imply that "a full economic, social and political life can be achieved in the United States without competence in English." This is not so, they say, and citizens who do not fully understand English are prey to opportunistic political leaders who easily lead them into block-voting. Finally, among other arguments, proponents say that the United States is a country of many immigrants all united by a common language — English. The bilingual ballot, they argue, threatens to destroy that unity.

Arguments against: Led by three Californians from the House of Representatives — Robert Matsui, Esteban Torres and Don Edwards — opponents argue that bilingual voting assistance is necessary in California because many state and local propositions and their accompanying voting pamphlets are written in complex language and to understand them requires more than the fifth-grade level of English needed to become a citizen. Also, they say, having a ballot in someone's native tongue does not lessen that person's need for English — it merely allows him or her to become a more intelligent and responsible voter. The cost for this service is negligible, opponents argue.

39 REAPPORTIONMENT

This constitutional amendment would take reapportionment out of the hands of the Legislature and vest it in a new state commission composed of retired appellate court judges.

Background: We are now on the eve of what promises to be a final battle in the long Republican campaign to overturn the reapportionment that was perpetrated upon them by Democrats in 1981. "Outrageous gerrymander," Republicans cried at the time. And indeed it was, but it was no worse than what Republicans might have done to Democrats had they the chance.

The latest effort is led by Governor George Deukmejian, sponsor of the initiative campaign that qualified Proposition 39 for the ballot. If approved by voters, it would strip the Legislature and governor of their reapportionment responsibilities and give the job to an independent commission. If the measure is disapproved, Republicans undoubtedly will give up the battle and learn to live with the current district boundaries, at least until the next reapportionment in 1991.

The fight began September 15th, 1981, when Democratic majorities in the Senate and Assembly rammed through three redistricting bills — one each for the Senate, the Assembly and the state's 45 congressional districts. The state constitution also requires that the Board of Equalization be reapportioned after each federal census, but lawmakers could not agree on boundaries for the four districts and failed to pass a bill.

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Republicans retaliated by organizing a referendum campaign that put the three bills before voters in June 1982. But though voters defeated the three bills, they failed to approve a follow-up initiative measure — sponsored by Republicans and Common Cause — on the November 1982 ballot. Similar to the current proposal, it too would have taken reapportionment from the Legislature and governor and given it to a special commission.

Since their three bills had been killed, Democrats in the Legislature had to reapportion again. The new lines were roughly similar to those of the year before and were signed into law by former Governor Jerry Brown on January 2, 1983 — his last day in office. There was one difference: this legislation included new boundaries for the equalization board.

Next came Republican Assemblyman Don Sebastiani of Sonoma. Eschewing an independent commission, he drew up new district lines of his own and qualified them for last June's ballot. However, the state Supreme Court ruled the plan unconstitutional in September 1983, removed it from the ballot and — in so doing — gave Deukmejian his chance.

Proposal: If enacted, Proposition 39 would create a new, 10-member reapportionment commission. The commission would draw districts for the Assembly, state Senate, House of Representatives and state Board of Equalization in time for the 1986 elections.

The commission would have eight voting and two non-voting members. Voting members would be chosen by lot from two lists of retired or voluntarily resigned appellate court justices, none of whom could have served in the Legislature, Congress or on the Board of Equalization. To keep the commission as bi-partisan as possible, four voting members would be selected from a list of judges appointed by Democratic governors; and four from a list of judges appointed by Republican governors. The president of the University of California would make the selections. The commission would elect its chair and vice-chair from among voting members, who also would appoint an executive director.

The two non-voting members would be appointed by the governor and by a constitutional officer who does not belong to the governor's party. In the event the governor's party held all statewide offices, the second non-voting member would be appointed by the chairman of the largest political party to which the governor did not belong. These non-voting members were added to the commission to give parties at least a voice in the reapportionment process.

Using 1980 census data, the commission would draw districts to be used in the 1986, 1988 and 1990 elections. Thereafter, it would meet once each decade after the federal census to reapportion the state again. A majority of the eight voting members (five) would be needed to adopt a new plan. Should the commission deadlock over any issue, there would be a revote with one member — chosen by lot — abstaining.

Although the Legislature may not veto the plan, voters could reject it through the referendum process. In that case, the commission would have 120 days to adopt a new plan, which also would be subject to a referendum. Additionally, the state Supreme Court could reject a plan because it violated state or federal law. That, too, would force the commission back to work. If an acceptable plan is not adopted by February 1st of an election year, primary and general elections would be conducted under a plan previously adopted by the commission. It is unclear, however, what would happen if no plan is adopted by February 1, 1986, because no previous commission plan exists. Under this circumstance, lawmakers may be forced to run in their current districts.

Under terms of Proposition 39, the commission to make each district as competitive as possible between Republicans and Democrats, mostly by observing eight mandatory and seven permissive criteria. The mandatory criteria require, for instance, that districts be equal in population, that Senate districts be made up of two adjacent Assembly districts, that Board of Equalization districts be made up of 10 adjacent Senate districts and that census units (the smallest census unit, containing about 100 people in urban areas and averaging 500 people in rural areas) not be split up.

The permissive criteria include urgings that districts be geographically compact; that districts not cross a common county line more than once; that districts be composed of contiguous territory; and that communities of interest be preserved. To preserve "communities of interest," district boundaries must follow city and county boundaries wherever possible. Although Los Angeles, San Diego and other large metropolitan areas must be divided, the initiative calls for smaller cities such as Sacramento or Long Beach to be included in one district wherever possible.

To accomplish its work, the commission may hire or contract for a paid staff, although commissioners themselves draw no salary. Also, various state agencies would be required to make personnel, facilities and supplies available upon request, and the secretary of state would be required to collect data needed for reapportionment.

Fiscal impacts: According to the legislative analyst's office, it cost the Legislature about $6.8 million to develop and adopt the 1980 reapportionment plan. Under Proposition 39, the commission would get no more than half this amount, adjusted for inflation, for its reapportionment efforts — up to $3.5 million in 1985. Also, because some newly created districts may not contain a local legislative office, the state may have to establish one — at $10,000 to $20,000 per office, based on past experience. Counties would have to develop new precinct maps and election materials, a one-time cost of about $500,000 statewide. On the other hand, counties would save as much $700,000 statewide (between 1985 and 1992) because they would contain fewer districts and thus have to prepare fewer ballot formats.

Arguments for: Led by Governor George Deukmejian, proponents argue that it is a serious conflict-of-interest for the Legislature to reapportion itself. As a result, they say, politicians have abused the process, placing their own interests — and job security — above the interests of the people. It is therefore necessary, they say, to take reapportionment out of the hands of the Legislature and vest it in an independent commission. By so doing, they argue, Proposition 39 ensures fairness because commission members will not be beholden to any political party and because it sets down criteria for redrawing districts to replace what proponents call "the whims and secret negotiations of politicians." Proponents discount criticism that the commission is not accountable to the public by pointing out that the commission's work is subject to a referendum.

Arguments against: Proposition 39 is opposed by Democratic

Proposition numbering

Wonder why there's no Proposition 1 on the November ballot? It's because a 1983 law required that ballot measures be numbered consecutively from election to election, starting with November 1982. Previously, each election got its own set of numbers starting with 1. But the system is confusing. If you say "Proposition 13," do you mean the tax-cutting measure of 1978 or the water-conservation proposal of 1982? Since 15 measures went to voters in November 1982 and nine more were on the June 1984 ballot, the current crop begins with 25. It will continue this way for 20 years, so the next time you'll see Proposition 1 will be 2002.

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congressmen, legislators and Attorney General John Van de Kamp. They argue that reapportionment is supposed to be done only once per decade, and that California has already had two in the 1980s. They claim that Proposition 39 is not reform, but a continuation of the "same backroom political fight" that has been going on for four years, at a cost of $5 million. They say that Proposition 39 will mean still another reapportionment — at a cost of $3.5 million more. They also argue that commission members will have no accountability to the public and that the state Supreme Court will be the only government entity with the power to review the commission's final plan.

THE JOHNSON CAMPAIGN-FINANCE INITIATIVE

40

This measure would change the way political campaigns for state office are financed by limiting campaign contributions and restricting those who make them to individuals, political parties and political action committees.

Background: When it comes to financing state political campaigns, the current rule is "anything goes." Candidates may raise as much as they like and spend as much as they like. The only requirement — a part of the Political Reform Act of 1974 — is that candidates disclose both the names of those who gave them the money and the names of those with whom they spent it. Back in 1974 many persons believed that such disclosure alone would brake the upward spiral of campaign spending, essentially by embarrassing candidates into refusing large amounts from special interests. But no such slowdown has occurred. Between 1974 and the last general election in 1982, the average amount spent in an Assembly campaign has gone to $429,000 — an increase of more than 500 percent.

Obviously, candidates don't raise that kind of money by staging a car wash and a potluck supper or two. Although candidates may raise some money from wealthy individuals who want nothing more than a chance to participate in the political process, most of their money comes from the aforementioned special interests: the corporations, labor unions, trade groups and others that inevitably will want something from the candidates in return.

In recent years, as the media have reported more fully on this situation, the cry for reform frequently has been heard, often from within the Legislature itself. Many lawmakers say that fund raising is a demeaning task that they resent and wish they could avoid. However, although various reform bills have been proposed, none has been able to win solid, bi-partisan support.

Although there are exceptions on both sides, Democrats generally tend toward a solution that would reduce the influence of special interests by turning to public financing of campaigns. Republicans have been cool toward major changes, but lately have tended toward solutions that would limit campaign contributions and the amounts that could be spent.

Not surprisingly, the differing positions reflect each party's situation. Unable to count on raising money from their low-wealth constituencies, Democrats feel that the only fair solution is for the government to give equal amounts to all. Republicans, less worried about raising funds (and aware of the Democrats' problem), contend that public financing would bring government influence into election campaigns.

As indicated, though, these partisan viewpoints are not held by all. Many incumbents in both parties are suspicious of public financing if only because it would guarantee funds for whatever challengers might come along.

And so things stood until early this year when Republican Assemblyman Ross Johnson of La Habra became involved. Seeing no sign that the legislative stalemate would break, he took the initiative route and qualified his Proposition 40 for the November ballot. He says it is a non-partisan proposal, and indeed it is opposed by many Democrats and Republicans alike. However, because its major thrust is to limit contributions and because it proposes only a very limited form of public financing, the proposal leans toward the Republican side (see "Double Trouble for Democrats," *CJ*, August 1984).

Johnson says he is not necessarily opposed to public financing of election campaigns. However, he notes, various polls show that the public is against it. Thus, since his proposal must go before voters, he wanted only a limited form of it in his measure.

(Governor George Deukmejian also is opposed to public financing of election campaigns and has indicated that he will veto any legislation that would tie a public-financing provision to Johnson's proposal.)

The Proposal: Essentially, Johnson seeks to reduce the influence of special interests by declaring that no candidate for state office may receive more than $1000 from any single contributor in any fiscal year. Furthermore, candidates may receive their money only from private individuals, political parties or political action committes (PACs). Corporations, labor unions, partnerships and other such organizations (whose contributions are often in the $5000 range) could not give.

To prevent political parties or PACs from being dominated by wealthy or special-interest contributors, the PACs and parties may take money only from individuals and no more than $250 from any person per fiscal year. Again, corporations, labor unions, etc., could not give. And finally, no individual could contribute more than $10,000 per fiscal year to all state candidates, PACs and political parties combined.

(Note that local government candidates would not be covered by the measure. However, they could be brought in later by separate statute. Also note that political parties may contribute to primary election candidates, which they cannot do now, and that the $1000 limit per fiscal year means that contributors may give to the same candidate in both the primary and general election since they are in different fiscal years.)

Proposition 40 also would prevent one candidate from giving his or her surplus funds to other candidates, thus barring the transfer of large amounts of money from legislative leaders to needy followers — a practice that Democrats particularly have used.

Nor could candidates hold their surpluses to run for higher office. The measure requires that monies raised for a particular campaign be spent on that campaign only. If there's a surplus, the candidate may hold it to run for that office again. If not, he or she must contribute the money to a new "Good Government" fund.

The fund is part of Johnson's limited provision for public financing of campaigns. To deny an advantage to wealthy candidates, the proposition says that if a candidate uses his or her personal funds to campaign, all opponents are to receive matching public funds. (The opponents must first raise a threshold amount for themselves: $200,000 for gubernatorial candidates, $100,000 for other statewide candidates, $25,000

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for Board of Equalization candidates and $7500 for legislative candidates.)

The measure appropriates $1 million annually to cover whatever matching amounts may be required, with the money to be deposited in the "Good Government" fund. The fund also would receive the campaign surpluses mentioned above.

Additionally, the measure — among other things — would:

— ban all cash and anonymous contributions;
— require that every contribution, no matter how small, be accompanied by a written "Declaration of Free Will" from the donor, stating that he or she was not coerced by an employer or union into giving the money;
— limit loans and extensions of credit to $250 and require repayment in no more than 30 days;
— ban the campaign use of any contributions on hand when the initiative becomes law, a provision that affects, among others, Governor George Deukmejian, who has $1.5 million socked away for his 1986 reelection bid;
— gives the Fair Political Practices Commission power to enforce the new law but gives it no more money for the task.

Arguments for: Assemblyman Johnson contends that political financing must be changed to reduce the influence of special interests. "You have a right," he says, "to demand that your elected representatives serve you, not powerful special interest groups who supply huge amounts of cash." Because his measure would reduce the role of special interests, Johnson says, it is they who are leading the campaign against him. To their contention that his measure would protect incumbents, he replies that the current system — by giving incumbents access to special interest contributions — is actually the protector of incumbents. To the argument that his measure would open the way for public financing, he replies that wealthy persons would have no motive to spend their own funds and therefore the public monies would not be used.

Arguments against: A coalition of opponents — including the California Chamber of Commerce, California Farm Bureau Federation and California Taxpayers Association — say that Proposition 40 is not really campaign reform because it doesn't limit spending. They also contend that it protects incumbents by making it difficult for opponents to raise enough money to mount an effective challenge. The taxpayers' association opposes the measure because, it says, the proposal would open the door to public financing by providing funds to match what wealthy candidates spend on their own campaigns. Others claim the $1 million cap on those matching funds may not be adequate. For instance, had the law been in force in 1982, opponents of one Assembly candidate — Democrat Tom Hayden — would have used nearly all the available funds. In all, say the opponents, Proposition 40 would increase the influence of special interests by forcing politicians to spend more time, not less, raising money from wealthy contributors.

41 PUBLIC AID AND MEDICAL ASSISTANCE PROGRAMS

This measure would require major reductions in welfare aid to families and to Medi-Cal, the program that finances health care for the poor.

Background: Welfare issues have simmered over recent years in California but have rarely boiled, largely because of a deal negotiated back in 1971. That was the year of Governor Ronald Reagan's welfare reform, a package of benefit reductions and fraud-prevention provisions that he — as president — still points with pride at today. But to get his package, Reagan gave the Legislature's Democratic leaders something that they wanted in return: an automatic increase in welfare grants every year to match whatever increases had occurred in the cost-of-living.

Thus, since 1971 welfare grants have been rising more or less regularly while the Legislature's Democratic majority has been able to avoid the politically dangerous chore of raising them. Because of the automatic provision, welfare grants rise as does the California Necessities Index (a scale similar to the Consumers Price Index).

However, Democrats themselves have often agreed to suspend or reduce the increase for a particular year. Wanting to cut costs and avoid an election-year tax increase in 1982, for instance, they gave welfare recipients no increase at all. (Public schools and state employees got no new money that year either.) Last year, with the index calling for 5.7 percent, and Republican Governor Deukmejian calling for another zero, they compromised at four percent. This year, when Deukmejian asked for two percent, Democrats refused and welfare recipients got the 5.6 percent required by law.

Republicans in the Legislature have been trying for years to get back for themselves the welfare-negotiating advantage that Reagan's reform, with its automatic increase provision, gave to the Democratic majority. In 1980 Senate Republicans, under their then leader, Bill Campbell, delayed the budget for 16 days into the new fiscal year in an unsuccessful effort to erase the required welfare increase. Campbell contended that it was unfair to give welfare a full cost-of-living increase while other state programs were getting less. Democrats replied that welfare recipients get so little in the first place that the extra money is warranted.

This initiative proposal is sponsored by Republican Assemblyman Ross Johnson of La Habra, the sponsor also of the campaign-financing initiative (Proposition 40). Most broadly, Johnson's measure would take away the Democrats' negotiating advantage in connection with the state's major welfare program and would replace it with another set of procedural rules that would all but guarantee sizeable program cuts. Furthermore, the proposition would extend those rules to Medi-Cal, the big program that finances health care for the poor.

The major welfare program mentioned above is Aid to Families with Dependent Children (AFDC). Its recipients are generally single mothers with children at home. Johnson's proposal would not cover the state's other big welfare program, which aids needy persons who are also aged, blind or disabled. That program is known as Supplemental Security Income/ State Supplemental Payment (SSI/SSP).

Proposal: If enacted, Proposition 41 would require that state, federal and county spending on AFDC, Medi-Cal and several smaller programs in California total no more than the average spent by the other 49 states, plus 10 percent. All averages would be established on a per-capita basis.

According to Legislative Analyst William Hamm, if the proposition had been in effect during the last federal fiscal year (1982-83), it would have cut AFDC benefits by 60 percent and Medi-Cal benefits by 36 percent. The monthly benefit for an AFDC family of three with no other income would have dropped from $506 to $223.

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In all, says Hamm, the proposition would have reduced some $6.1 billion in state, federal and county spending by $3 billion. The state's share of the reduction would be $1.4 billion; the county share, $140 million. The federal government, which supplies funds on a matching basis, would save $1.5 billion. Hamm notes, though, that county expenses could rise as persons removed from state programs sought aid at the local government level.

However, the proposition would allow its benefit cuts to be ameliorated by the governor and Legislature. Although the measure would put the 110 percent cap on individual programs, the Legislature by simple majority vote could shift monies so that one program could get more than its share. But since the 110 percent cap on total spending would remain, some other program, or programs, would have to be cut.

The cap on total spending also could be broken, but only by a statute approved with a two-thirds majority vote. Although it is conceivable that a two-thirds majority could be achieved to prevent the draconian 60 and 36 percent reductions mentioned by Hamm, it's not likely that even those who voted to spend more would continue current levels of spending. More likely are annual negotiations, with a conservative minority (composed primarily of Republicans, no doubt) having the upper hand.

To determine the average amounts paid by other states, the proposition would create an 11-member "California Public Assistance Commission" to survey the others and make an annual report. The commission would make its first survey next year and the proposition would take effect for the fiscal year beginning July 1, 1986.

The commission would have seven voting members appointed by the governor and four non-voting members from the administration and Legislature (two each).

Arguments for: Johnson says that California has the most expensive welfare system in the United States. With 10 percent of the nation's population, California makes about 20 percent of all welfare expenditures, he says.

According to Johnson, a recent study shows that California spends, on a population basis, about $2.6 billion more than the national average on welfare. The same study shows, he continues, that the state spends $1.1 billion less than average on education and $1.8 billion less on streets and highways.

He calls the system an unfair failure that costs billions of tax dollars without producing any real improvement in the lot of the needy. By passing his proposition, he says, voters will force politicians to take a hard look at welfare. Since the proposition will not affect programs benefiting the aged, blind or disabled, Johnson says, its passage will mean only that healthy, young welfare recipients will have to go to work.

Arguments against: A wide variety of groups, including many representing senior citizens, oppose the measure. The seniors say that the proposition would harm the elderly because so many of them receive health care through the Medi-Cal program. According to representatives for the Older Women's League, the Gray Panthers and California Centers for Independent Living, Medi-Cal provides benefits for over 360,000 elderly, 18,000 blind and 400,000 disabled.

The California Medical Association, the California Hospital Association and other groups that provide services to Medi-Cal recipients say that the program has been cut severely by budget crunches during the past two years and that another billion-dollar cut would risk the health of three million Californians.

They also say that Johnson's 110 percent spending limit ignores cost and cost-of-living differences between California and other states. It also ignores, they add, urban make-up, proportion of needy in the population and other demographic characteristics.

Concerning the proposition's other features, opponents say it would reduce funding for workfare, employment training, and other job programs; cut family planning assistance; and reduce the ability to go after fraud and abuse.

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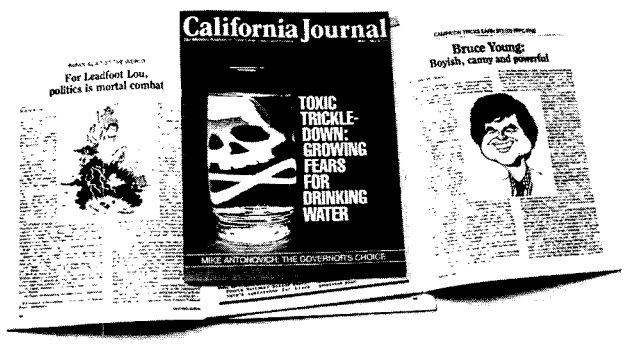
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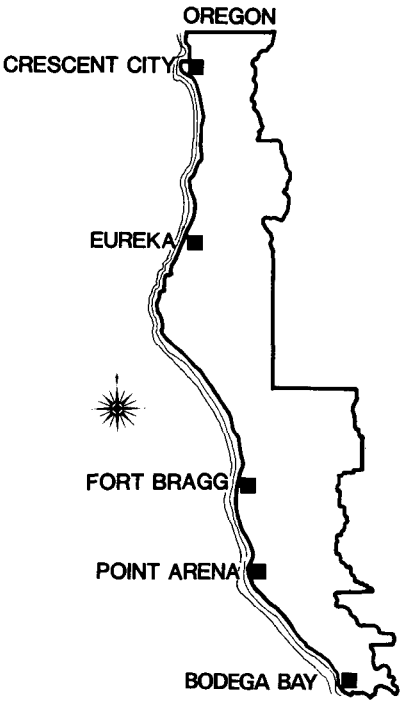
FIVE RACES THAT SHOULD GO DOWN TO THE WIRE

ASSEMBLY DISTRICT 2

A CONTRAST OF STYLES

By HEIDI HOLMBLAD



WALSH HAUSER

When asked what special strategy he would use to defeat his opponent, Democratic Assemblyman Dan Hauser of Arcata paused and asked, "Who?" But much as he may dislike talking about Republican Danny Walsh, Hauser cannot ignore him. For Walsh, a colorful member of the Humboldt County Board of Supervisors, is giving first-termer Hauser a fight.

By the numbers, Hauser should be ahead. Unopposed in the Democratic primary, he received about 12,000 more votes than the combined total for Walsh and his Republican primary opponent — Sebastopol businesswoman Bev Homan. Furthermore, the district is about 53 percent Democratic and only 31 percent Republican. But rural Democrats are notoriously fickle and likely to vote Republican at any time. Thus, numbers can mean little after campaigning begins and the candidates become better known.

The 37-year-old Walsh is a fourth generation Humboldt County resident, a former high school football star and a graduate of Humboldt State University. In the public relations and sales business until elected a county supervisor in 1978, he is now in his second term and represents the city of Eureka.

Hauser, 42, came to Humboldt County from Riverside 21 years ago to study history at the university. Deciding to stay, he landed a job as an insurance claims adjuster and was elected to the Arcata City Council in 1974. When elected to the Assembly in 1982, he had been mayor there for nearly eight years.

Along with their differences in background, the two men have different styles. Walsh is an excellent speaker, almost charismatic. But he is also described as thin-skinned and with a tendency to shoot from the hip. Hauser, on the other hand, is more reserved and is known as a good listener.

On the issues, Walsh accuses Hauser of not supporting business, manufacturing and agricultural interests, and he equates that with not representing the district. Hauser, known as an environmentalist, points to his efforts on behalf of small business and economic development.

Most recently, the two have differed over a major state Supreme Court decision last July that directly affected timbering — one of the major industries in the district — but had ramifications beyond. The Court upheld a Mendocino County ban on the aerial spraying of phenoxy herbicides, a practice used by timbering firms to kill underbrush and other growth that interferes with the development of young trees. But more important, the decision seemed to mean that local governments could regulate herbicide and pesticide uses in their areas.

Alarmed by the development, agricultural and timber interests pushed a bill through the Legislature during the closing days of the 1984 session to overturn the Court's decision. Hauser fought the legislation and voted against it. Walsh supported the bill. Though an advocate of local control, he says, "The issue is similar to a request of 50 individual states to establish military policies in their particular states."

Not surprisingly, there have been other, more personal, issues as well. A Hauser survey asked voters whether they would vote for a candidate who was unmarried and had no children. Walsh, who is unmarried and has no children, called the question a "moral outrage." A spokesman for Hauser said Walsh's reaction was "baffling and silly." (Hauser is married and has two children.)

Democratic Assembly Speaker Willie Brown is also an issue. Walsh points to the nearly $160,000 that Hauser received from the speaker's war chest two years ago and says Hauser votes as Brown tells him to on a majority of bills. Hauser, who is receiving support from Brown again this time, says that his vote has never been bought. For his part, Walsh is expecting funds from the Legislature's GOP leadership.

Walsh also is attacking Hauser's lack of support for Proposition 24 — the initiative approved by voters last June to cut the power of the Assembly

Heidi Holmblad is a reporter for the Eureka Times-Standard.

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speaker and require a 30 percent reduction in the Legislature's spending on itself. Among other things, Walsh has brought the initiative's sponsor, Paul Gann, into the district to attack Democrats in general and Hauser in particular for refusing to implement the measure and for using taxpayer funds to challenge it in court. Like Democrats generally, Hauser has replied that the measure is unconstitutional and will be ruled so by the courts.

Hauser, who won by only 5700 votes two years ago, has been working hard to raise his popularity. Should he lose, some at the Capitol are likely to say that the flamboyant, outspoken Brown was at least partially responsible for the defeat, causing him to seem a loser as well.

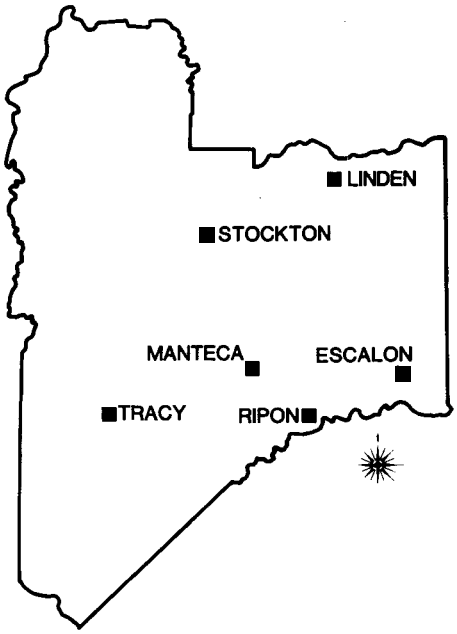
ASSEMBLY DISTRICT 26

STOCKTON SLUGFEST

By BARBARA SERRANO

In his bid for a third term, incumbent Democrat Patrick Johnston of Stockton is squaring off against San Joaquin County Supervisor Douglass Wilhoit. Wilhoit promises a good challenge, using direct mail, television and door-to-door campaigning to argue that Johnston cares more for political expedience than for the welfare of the district.

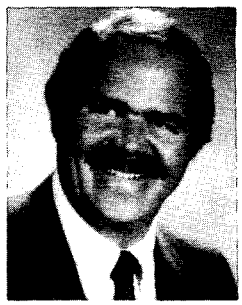
However, Wilhoit, a man who has been pegged for the past few years as a tough Republican contender, has yet to produce any sparks in this campaign. As a result, some believe he may have waited too long to successfully slice up Johnston's growing base of support. Furthermore, Johnston has raised considerably more money than his opponent and a great deal more is available from Democratic Assembly Speaker Willie Brown. Among others things, Johnston and his supporters have used the funds to help finance voter-registration drives in low-income, minority and new-growth neighborhoods of Stockton and south San Joaquin County.



Nevertheless, few are willing to make any calls on this race, for while the district is overwhelmingly Democratic in registration — 58 percent to the Republicans' 32 percent — voters traditionally align themselves with candidates rather than along party lines. This is an electorate that voted in full force two years ago to make Republican George Deukmejian the governor but also has been voting to keep liberal Democrat and Senate Majority Leader John Garamendi in office. (Johnston was a Garamendi staff aide four years ago when he first ran for the Assembly.)

Wilhoit brings with him name recognition and widespread popularity as an able supervisor and a "nice guy" in Stockton's political and social circles. A 40-year-old former police officer, part-time community college teacher and community volunteer, he portray's himself as an atypical Republican — conservative on fiscal matters but moderate on social issues.

JOHNSTON


WILHOIT

Johnston, 38, a former seminarian, reporter and probation officer, also is well-liked. Generally, he finds support among agricultural and developer interests, the upwardly mobile as well as the economically disadvantaged. At the Capitol, he is a key member of Speaker Brown's camp, having recently been named chairman of the Assembly's Elections, Reapportionment and Constitutional Amendments Committee.

For the rest, Johnston never forgets his humble beginnings; electorally speaking. After a bitter campaign against Democratic incumbent Carmen Perino in the 1980 primary, he slipped by GOP challenger Adrian Fondse with only 35 votes on a recount. He had no trouble winning in 1982 but that was against a weak Republican candidate who lacked full support from his own party.

Republicans hope Wilhoit can capitalize on Deukmejian's and President Reagan's popularity in this heart of the Central Valley. Also, his financial prospects are not bad. GOP Assembly leader Bob Naylor of Menlo Park has promised — in writing — to match Wilhoit's funds with between $150,000 and $250,000.

Both camps expect to spend up to $500,000 each but Wilhoit will have to rely more heavily on party support. At the end of the July reporting period, Johnston had raised $144,587 in contributions and in-kind services from local and statewide organiza-

Barbara Serrano is a reporter for the Stockton Record.

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tions. Wilhoit, on the other hand, had drawn $83,387, about a quarter of that coming from Assembly Republicans.

It won't be easy for Republicans to tarnish Johnston's reputation. He has won support among educators and parents for his role in education reform; law enforcement officials like his stand on crime bills; and even some farmers have warmed to the San Francisco-educated Democrat for his interest and support of their key legislation.

But Johnson may have given his challenger a weapon by going against agricultural interests and the county supervisors on the governor's Delta water plan, which they had endorsed. Everett Conway, secretary of the San Joaquin Farm Bureau Federation, says Johnston's opposition only confirmed farmers' suspicions that Speaker Brown and Democratic leaders hold "a string on him."

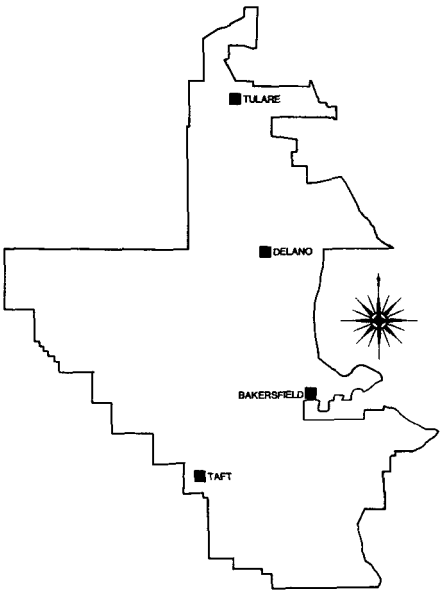
A county supervisor for six years, Wilhoit has had his eye on the Stockton seat since 1980. Twice he decided the timing wasn't right, and this year, the Republicans had to convince him to make a run for it. Wilhoit is not well-known in the south county and his biggest chore may be to convince voters there to cross party lines.

On the other hand, no one is underestimating Wilhoit's ability to pull this one out. He won his supervisorial seat in a run-off election against a well-known Stockton judge. But, says Johnston, "I've been waiting for him, at some point, to fire the first shot. I don't think Mr. Wilhoit has figured out why I should be replaced yet."

ASSEMBLY DISTRICT 33

ANOTHER TOUGH RACE FOR DON ROGERS

By BRUCE SCHEIDT



TACKETT

ROGERS

Tough-talking Kern County Democrats keep saying they know what it takes to beat Republican Assemblyman Donald A. Rogers of Bakersfield. But they haven't done it yet as Rogers goes for a fourth term this year. This time Democrats are placing their bets on Kern County Supervisor Gene Tackett, 41, a moderate who has appealed to Republicans in past campaigns. An articulate, aggressive campaigner, Tackett came within eight percentage points in 1982 against Republican Congressman Charles Pashayan of Fresno, despite being outspent 2-to-1 and lacking name identification outside Kern.

Rogers' biggest problem may be within the GOP itself. The assemblyman barely hung on two years ago after the Kern County Republican Central Committee filed suit against him — five months before the general election — over questionable financial practices connected with Rogers' successful inheritance-tax initiative campaign.

The 56-year-old Rogers, a hardline conservative, had sponsored the initiative effort that placed Proposition 6 — which passed and cut the inheritance tax — on the ballot in June 1982. But he used the initiative also to raise money for partisan campaigns, sparking the central committee suit. The suit was dropped when Rogers returned $1400 to six contributors.

Additionally, there was little love lost between Rogers and his Republican Assembly predecessor, now-Congressman William M. Thomas of Bakersfield. Their relationship cooled when it was learned that Rogers' former administrative assistant, Stan Harper, had tried to recruit a primary opponent against Thomas in 1980. Also, some of the disputed money from the Proposition 6 campaign was used against a Thomas-backed candidate in a 1982 state Senate primary.

But despite those problems, Rogers squeaked through, though with only a 51.2 percent winning margin — the smallest of any Republican incumbent that year.

Things seem to be looking up for Rogers this time around. "We'll have a united Republican front in Kern County this year," says Dick Swayne, Rogers' campaign coordinator. More important, the 1983 Democratic-sponsored reapportionment pushed a few more Republicans into the 33rd District, raising the margin from 28 to 36 percent. Although the Democratic registration is a high 56 percent, the number includes many conservative Democrats who are likely to vote Republican at the drop of a hat.

Nevertheless, many Kern Republicans privately say Tackett could be Rogers' toughest challenge ever. Tackett is more in the Democratic mainstream than the liberal John Means, the Democrats' 1982 challenger who turned off conservative Democrats because of his close ties to Tom Hayden and the Campaign for Economic Democracy.

But Tackett has problems of his own. A former Peace Corps volunteer, he is largely dependent on campaign contributions from Assembly Speaker Willie Brown. As a result, Rogers can travel about the conservative district

Bruce Scheidt is the Capitol reporter for the Bakersfield Californian.

For a brief summary of every congressional and legislative district race, see the *Journal's* June Primary analysis (*CJ*, July 1984). In addition to the four Assembly races and one congressional race covered in this issue, the *Journal* also has given in-depth coverage to these campaigns: Jerry Patterson vs. Robert Dornan, 38th Congressional District (*CJ*, April 1984); Ray Johnson vs. John Doolittle, 1st Senate District (*CJ*, September 1984); Rebecca Morgan vs. Arlen Gregorio, 11th Senate District (*CJ*, September 1984); and Milton Marks vs. Lia Belli, 3rd Senate District (*CJ*, September 1984).

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arguing that Tackett, if elected, would be a tool for the liberal speaker.

Tackett replies that he won't be dominated by anyone. "I'm independent. I'm not going to have conflict with what's in the best interest of the 33rd Assembly District," he says.

Another major issue is public education. Teachers and administrators have never considered Rogers a friend when it comes to paying for schools. Rogers hurt himself last year when he abstained on the historic Hart-Hughes education finance-and-reform bill. Though he supported the reforms, Rogers said he couldn't vote for the bill because it was partially financed by increased taxes.

The California Teachers Association has targeted Rogers for defeat this year. The state's powerful teachers union is contributing money to Tackett's campaign and is organizing teachers for him.

Rogers attempted to moderate his conservative voting record in the final weeks of the 1983-84 legislative session by voting with Democrats in an unsuccessful attempt to override Governor Deukmejian's veto of an $850 million school-construction bond. He also voted with Democrats to override Deukmejian's veto of a veterans' home-loan bond and supported Democrats on a third override attempt to restore $7 million for toxics programs.

Says Tackett, "He had a horrendous record of non-support for education until I got in the race." Replies Rogers, "I vote what's best for my district."

Tackett opened his campaign by holding Rogers responsible for the decaying condition of some of Kern County's state highways. And when Caltrans released its five-year State Transportation Improvement Program last April, it was seen that the administration had added $6.1 million to the budget for rehabilitating Highway 46, Bakersfield's main route to the coast.

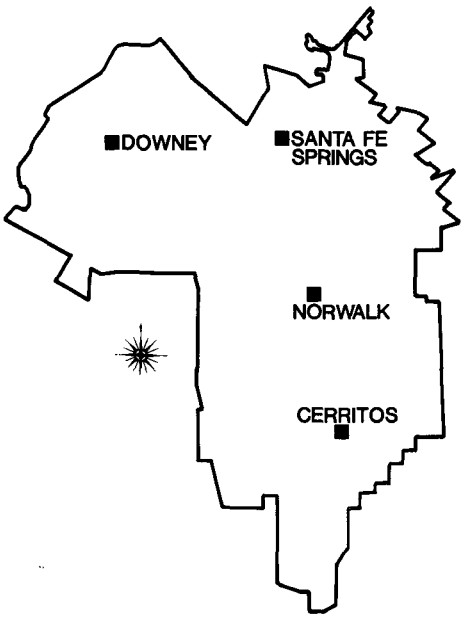
Tackett says the money is there because he made an issue of the situation. Rogers says, "No." The funding was added because of his ability to work with the Republican administration.

And so it goes. At the moment, the odds seem to favor Rogers in this race. But Tackett is a resourceful candidate and there is still time to turn things around.

ASSEMBLY DISTRICT 63

DONNYBROOK IN BRUCE YOUNG'S DISTRICT

By LARRY PETERSON



GRISHAM

XITCO

On the surface, it seems that former Congressman Wayne Grisham, a Republican, is wasting time and a lot of money running against Democrat Dianne Xitco (pronounced "Zitco") in the 63rd Assembly District of southeast Los Angeles County. Democrats there hold a 62-30 percent voter-registration edge in a district that has sent a Democrat to Sacramento for most of the last three decades.

But don't be deceived by appearances. The conservative nature of this district combined with the matchup between a former congressman and a popular school board president could make this one of the state's hottest Assembly races.

Of course, that a close race takes place here at all is due to Bruce Young's decision to retire from the Assembly. The four-term incumbent — considered virtually unbeatable — dropped out at the last moment, citing family problems but still smarting from a $13,000 fine levied for campaign-finance violations last year by the Fair Political Practices Commission (see "Bruce Young," *CJ*, January 1984).

Into the vacuum rushed 11 Democratic primary candidates. The winner was the 43-year-old Xitco, president of the ABC Unified School District board, a successful fund raiser who had Young's endorsement and help from the Englander-Adler-Droz campaign-consulting firm. For Xitco's bid against Grisham, the Assembly's Democratic leadership has dispatched one of its chief political operatives to manage the campaign — Richard Ross, former head of the Assembly Office of Majority Services.

Grisham, 61, had an easier time winning a three-way GOP primary. A World War II fighter pilot and a realtor, he is well known in the area because from 1978 to 1982, he represented a congressional district that included most of the 63rd. That district was wiped out during the last reapportionment, forcing Grisham to run in a new district where he lost a 1982 primary to GOP incumbent David Drier. Not that defeat left Grisham without work; President Ronald Reagan appointed him to head the Peace Corps mission in Kenya, where he served from 1982 until filing for the primary in 1984.

Now back in familiar political territory, he's counting on his old popularity and name identification to offset Xitco's lopsided Democratic voter-registration margin. For instance, he says that as a congressman, he spent a lot of time in the district, helping constituents on Social Security-related problems. To justify his confidence, he cites the 66 percent vote he received in 1980 from the part of his old congressional lair that coincides with the 63rd.

Grisham also insists that as a conservative, he is well attuned to district voters who he describes as "people who make mortgage payments, work hard for a living and don't want to pay for people who don't." Also, noting that much of the district was once represented by state Senator George

Larry Peterson is political editor for the Orange County Register.

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Deukmejian, Grisham plans to bill himself as "another vote for the governor." To get the word out on himself, Grisham will send out a plethora of mailers and spend up to $300,000 on a campaign run by Los Angeles consultant Arnold Steinberg.

Grisham's success could have implications beyond the 63rd District, for he is receiving help from conservatives — like Glendale Assemblyman Pat Nolan — who are eager to oust Robert Naylor as Assembly minority leader. The moderate Naylor only held onto that post by a slim margin in 1983. For the moment, Grisham says he hasn't made up his mind about Naylor, but should he win in November, it would be hard for him to turn his back on those Republicans who helped him set up shop in the Capitol.

One person working to ensure that Grisham doesn't vote on Naylor is Ross — Xitco's main political consultant. As he sees it, she has as much name recognition as her opponent and is "in sync" philosophically with district voters. Thus given the Democrats' edge in registration, success will come from mobilizing a loyal bloc vote for the party's nominee. He says her campaign will also register about 12,000 new Democrats for the November vote.

"Ideology is a wash," says Ross. "It's not as though you have a conservative Republican running against a liberal Democrat in a marginal district. What we have is a conservative Republican running against a conservative Democrat in a Democratic district. That's one we can win."

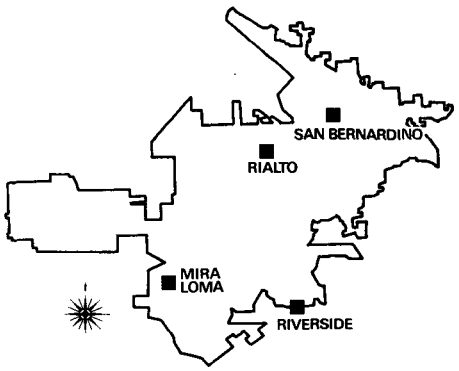
However, Ross says his candidate does not expect to match Grisham's campaign expenditures. If so, then Grisham's money advantage must be offset by a wiser use of funds. Instead of pouring a lot of resources into an expensive direct-mail campaign, Ross says Xitco will use phone banks and neighborhood meetings to supplement her mailers. Whether she can stay with that strategy or becomes a bigger spender herself remains to be seen, although several observers think the latter will be the case.

Bottom line on this district? Early polls taken by both sides in August show Grisham ahead by as much as 10 points. But they, too, may be deceiving, for according to one political consultant familiar with the race, "This is nobody's shoo-in."

CONGRESSIONAL DISTRICT 36

BROWN — STARK III

By WILLIAM GREENBURG



STARK

BROWN

In the 36th Congressional District, where Democrat George E. Brown Jr., the long-term liberal incumbent, is facing San Bernardino conservative Republican John Paul Stark, it's a case of "if at first you don't succeed, try, try again." Stark came out of nowhere in 1980 and polled 43 per cent of the vote to Brown's 52 per cent. In 1982 the spread was about the same — 55 per cent for Brown and 45 per cent for Stark. So now Stark is hoping that the third time will be a charm.

The race could be close. Although Democrats have a sizeable advantage in registration (58.2 percent to the Republicans' 29.4), they have been plagued here by thin voter loyalty, low turnout and the district's conservative tilt. Thus, Republicans figure that Stark, who did well against Brown with relatively little GOP support in 1980 and 1982, ought to do much better this time around, now that the party is giving him more aid. But if the Republicans have finally recognized Stark, so have the Democrats, and Brown is working harder and has been more visible in the district than for a long time.

William Greenburg writes for El Chicano, *a weekly newspaper in the San Bernardino area.*

Brown, 64, has been in politics for 30 years, starting as a city councilman in Monterey Park in 1954. In 1958 he was elected to the Assembly but left in 1962 to run successfully for a seat in Congress. He gave up the seat in 1970 to make an unsuccessful run for the U.S. Senate but was re-elected to the House in 1972 from the 36th District.

An excellent speaker, Brown is comfortable before a large audience or small groups. He has a dry wit and a thorough knowledge of the workings of government. He was one of the first congressmen to come out against the Vietnam War, and he maintains that President Reagan's "star wars" proposal will increase the possibility of war, not prevent it.

Stark, 41, worked for the Campus Crusade for Christ as a young man and is now in the insurance business. Not without a flare for the dramatic, he handed out literature while wearing a Revolutionary War uniform in 1980 and has held press conferences on the steps of Brown's office.

Stark says that Brown should be turned out of office because his liberal voting record is out of touch with the area and because he hasn't done enough for the community. "He's been in a retirement mode since 1972 until we came along," Stark says. According to Stark, Brown's positions on the Agriculture and Science and Technology committees do not lend themselves to the needs of the area. Stark says he would like to serve on Public Works. When asked if he were promoting pork-barrel politics, Stark replied: "The role of government is funding. I'm just saying we should get our fair share."

Brown says his committee posts have produced benefits for the community, including an expansion of the Ontario airport. However, he frustrates many of his supporters by also failing to promote such achievements and in fact down-playing the role of congressmen in securing projects for their districts.

The issues of abortion and school prayer also figure in the campaign, with Brown for abortions, as permitted by the U.S. Supreme Court, and against school prayer. Stark is on the opposite side, echoing the line generally taken by President Reagan. Indeed, Reagan may be a major element in the race, with the length of his coattails determining who wins.

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Should the state pay for programs forced on local government?

Editors note: In November 1979 California voters passed a constitutional amendment (Proposition 4) that, among other things, required the state to reimburse local governments for programs mandated by the state but paid for by the locals. In a lawsuit, the City of Sacramento and Los Angeles County sought to make the state pay for unemployment insurance benefits that the state had required them to provide for employees. The lower court sided with the locals and ordered the state to pay, a decision upheld by the 3rd District Court of Appeals in May 1984. On July 19th the State Supreme Court let the appellate decision stand. In the following two articles, Legislative Analyst William G. Hamm and Deputy City Attorney William Carnazzo of Sacramento present differing views on the impact of that lawsuit.

By WILLIAM G. HAMM

The City of Sacramento has won its big lawsuit against the State of California. But it could be a pyrrhic victory — one that will cost all local government far more than the city stands to gain.

The suit stems from a provision in Paul Gann's "Spirit of 13" initiative that voters approved in 1979. The initiative amended the state Constitution to say that the state must reimburse local governments for the costs they incur in complying with state "mandates." A mandate results whenever the state, by statute or regulation, requires a local government to provide a new service to its citizens, or to increase the level of an existing service. The "service" at issue in the Sacramento case was unemployment compensation. The mandate was a state law requiring the city — and all local governments — to provide the benefit for former employees.

In court the state argued that it imposed the requirement because it was, in a sense, "mandated" to do so by the federal government. True, the feds didn't say the state had to act. They, nevertheless, had the state at gunpoint: If the Legislature had failed to "mandate" these benefits to local government employees, the federal government would have required California employers to pay about $2.3 *billion* more in federal taxes. Thus, the state, in enacting the unemployment-compensation bill, was merely succumbing to fiscal blackmail.

The city, of course, was well aware of the fact that the state mandated the payment of unemployment benefits under duress. Nevertheless, it convinced the court to adopt a literal definition of "mandate" (no alternative to compliance), rather than the more practical definition (no *reasonable* alternative) that the state's attorneys were pushing. As a result, the court held that the state, rather than the federal government, mandated the payment of unemployment benefits by the city. As the state's attorney — Jeff Fuller — put it, the court, in effect, told the state, "You may have had a lousy choice, but you had a choice."

The state's appeal to the state Supreme Court was rejected on July 19th. Because the State of California has

By WILLIAM P. CARNAZZO

It is singularly astounding that William Hamm, a high and respected state official, speaking for the State of California, has threatened local government entities with financial blackmail for having exercised reimbursement rights conferred by both statute and, more recently, the state Constitution.

The "reimbursement" concept is not new. Since 1973 it has been state law that if the Legislature creates a new program, mandatory on local government, or mandates an increased level of service for an existing program, the state must reimburse local entities for all mandated program costs.

In 1979 Paul Gann's "Spirit of 13" initiative was enacted by vote of the people as a local and state governmental spending-control device. As an integral part of its spending controls, the measure added Article XIIIB section 6 to the state Constitution. That section requires the state to reimburse local government for state-mandated local costs. In spite of the spoken voice of the people, the Legislature continues to "circumvent" the Constitution by refusing reimbursement for mandated programs enacted for political expediency.

A glance at the state's reimbursement track record provides eloquent, irrefutable testimony to the unquestionable need for continued litigation to compel compliance with the law. As part of the statutory reimbursement process, the State Board of Control was created to hear claims by local entities that they are entitled to reimbursement. If the board finds that a bill imposes "costs mandated by the state," it must define those costs and submit a claims bill to the Legislature for appropriation and payment. Fact: Until 1984, no "mandate" found to exist by the Board has ever been funded by the Legislature. In 1984 AB504 was passed and sent to the governor for action. This bill contained some reimbursement for three mandated programs. Governor Deukmejian vetoed 94 percent of the funding in that bill! This is just one among myriad examples. Here are two others:

Workers' Compensation: Workers' compensation costs are clearly state mandated. When politically expedient, the Legislature raises benefit-payment levels. As a consequence, local government costs increase dramatically. For example, Chapter 922, Statutes of 1982, doubled temporary and permanent disability payment-levels over a two-year period, without accompanying reimbursement. The costs were disclaimed as "cost-of-living" adjustments. Aside from the fact that neither the statutes nor the Constitution contain such an exception, there is absolutely no correlation between the "cost of living" and the increases granted.

High-Altitude Decompression Chambers: SB1481 (Chapter 1146/78) precluded the use of high-altitude decompression chambers to destroy cats and dogs. In August

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lost in the courts, it could turn around and begin doing to local governments what the federal government did to it. Instead of imposing mandates on cities and counties, the state could begin giving them lousy choices. For example, the Legislature could restrict eligibility for state aid so only those cities that provide for binding arbitration of labor disputes involving police and firefighters will qualify. Under these circumstances, the City of Sacramento might "choose" to adopt binding arbitration after years of resisting the state's efforts to impose it, in order to avoid the loss of $9 million in state aid. Some choice!

The city's co-plaintiff — Los Angeles County — stands to fare even worse. The county expects to receive over $1.8 billion from the state in the current fiscal year. With this amount at risk, the county could find itself "choosing" to offer and pay for all kinds of new services desired — but not mandated — by the state.

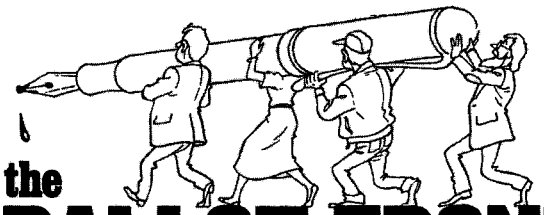
In short, the city's "victory" in the unemployment compensation case hands the state a court-approved blueprint for circumventing what the city was seeking to enforce in the first place: the principle that the state should reimburse local governments for the costs they incur in complying with state mandates. This is throwing out the baby and keeping the bathwater.

1979 the State Board of Control determined that Chapter 1146 created a state-mandated local program because available alternative methods were far more costly. The Legislature's response? "The Board of Control shall not accept or submit to the Legislature any more claims pursuant to Chapter 1146."

The litany could go on, but the point has been made. The Legislature's deliberate refusal to obey the law is the reason for litigation such as the unemployment-insurance case. Perhaps, as the state has always contended, it faced a terrible choice in the unemployment-insurance situation. Nevertheless, the price of exercising that choice, under state law, is the inexorable duty to reimburse local government. The Legislature's characteristic refusal to recognize that simple fact precipitated the lawsuit.

Finally, the "victory" is not "pyrrhic." The risk of legislative circumvention was indeed factored into the city's decision to file the lawsuit — Mr. Hamm's thinking is not original in that respect. "Circumvention" carries its own risk. To the extent that the Legislature attempts to "circumvent" Article XIIIB, Section 6, its action is clearly illegal.

The "baby" is alive and well, having been bathed. The "bathwater?" That's anyone's guess.



the BALLOT FRONT

A roundup of statewide initiative proposals. All statutes require 393,835 valid signatures; constitutional amendments require 630,136. The date in parentheses is the deadline for sponsors to submit signatures to county clerks. The Journal *issue listed in parentheses is where a more complete explanation of each initiative may be found.*

Continuing in circulation:

For the first time since February 1973, there are no initiative petitions in circulation

Initiatives qualified for the November ballot:

- **Proposition 35: BALANCED FEDERAL BUDGET** — an initiative statute, sponsored by Lewis Uhler, that requires the Legislature to send Congress a resolution calling for a constitutional amendment to balance the federal budget. This initiative was removed from the ballot by the state Supreme Court.
- **Proposition 36: TAXATION** — an initiative constitutional amendment, sponsored by Howard Jarvis, that amends Proposition 13 of 1978 to close loopholes Jarvis claims have been opened by the courts and others.
- **Proposition 37: LOTTERY: FUNDS FOR PUBLIC EDUCATION** — a constitutional amendment, sponsored by Barry Fadem on behalf of Scientific Games, Inc., that establishes a state lottery where 34 percent of all revenues must be used for public education.
- **Proposition 38: ENGLISH-ONLY VOTING MATERIALS** — an initiative statute, sponsored by Stanley Diamond of San Francisco, that requires the governor to write the president urging that federal law be amended to specify that all voting materials be printed only in English.
- **Proposition 39: REAPPORTIONMENT COMMISSION; REAPPORTIONMENT FOR 1986** — a constitutional amendment, sponsored by Governor George Deukmejian, that takes all reapportionment out of the hands of the Legislature and places it in the hands of a 10-member commission. The commission would reapportion for the 1986 elections.
- **Proposition 40: CAMPAIGN CONTRIBUTION LIMITATIONS** — an initiative statute, sponsored by GOP Assemblyman Ross Johnson, that limits an individual's contribution to $1000 per candidate and $250 per PAC or party; limits annual PAC contributions to $1000 per candidate; and provides that public funds be given to candidates to match unlimited personal expenditures by opponents.
- **Proposition 41: LIMITS ON WELFARE AND PUBLIC ASSISTANCE PROGRAMS** — an initiative statute also sponsored by Assemblyman Johnson that establishes a Public Assistance Commission and limits welfare expenditures in California to the national average, plus 10 percent.

Failed to qualify:

- **FEDERAL INITIATIVE PROCESS** — an initiative statute sponsored by David E. Miller of San Francisco that would have required the Legislature to adopt a resolution urging Congress to create an initiative process for federal laws.
- **COMMUNITY COLLEGE FUNDING** — an initiative constitutional amendment sponsored by James Young, Edward Cornell and Loren Voth of Arvin that would have earmarked one-half of one percent of state sales taxes and three percent of personal income taxes for the permanent funding of community colleges.

Source: Secretary of State March Fong Eu.

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Cities and counties fight; fatter tax revenues the prize

By DENA COCHRAN

California cities and counties have been battling during recent years over a once-routine process: redevelopment. Like greedy relatives at a funeral, they are fighting for the spoils.

The issues are clear. Redevelopment, which is a device to restore blighted areas of a community's landscape, is also a money-maker for local governments. But, say the counties, the cities are taking too big a share. "Redevelopment is a hole in the bucket through which counties are losing millions of dollars each year to cities, and that hole is growing," says Tulare County Supervisor Clyde Gould, chairman of a redevelopment task force created by the County Supervisors Association of California (CSAC).

Cities, of course, see it differently. Being the ones who initiate and control most redevelopment projects, they say they are merely trying to do good. "Redevelopment has provided billions of dollars to fuel the state economy," says Milton R. Farrell, executive director of the Community Redevelopment Agencies Association, an organization espousing the city viewpoint.

Like many financial problems involving local government, this one began in 1978 with the passage of Proposition 13. That ballot measure, by reducing local government's ability to raise money through the property tax, sent the locals in to a continuing search for new funds and — in this case — into battles with each other.

In theory, redevelopment is simple: When a part of town gets so run down that it is unlikely to revive itself, the town is better off leveling the old and building something new. But in the process, a profit — known as a "tax increment" — is created, and that's what the fighting is all about.

The "tax increment" formula

Take the case of the Hillcrest area in the hypothetical City of X. Aging and run down, it produced about $1 million in property taxes in 1982. However, that money did not go to the city alone. As in every county in California, it was collected by county government and redistributed to all the governmental units whose geographical boundaries included the Hillcrest site. Following a typical urban split, the county kept $400,000 for itself, gave $340,000 to the city and $260,000 to the local school district.

But now comes the city council, declaring itself a redevelopment agency and Hillcrest a redevelopment area. As such, the council acquires property within the area, levels the old buildings and installs the new streets, sewers and utility lines needed to prepare the Hillcrest site for new construction. When preparation is completed, the city makes deals with developers to bring in the projects that finish the facelift. Within five years, property tax collections in the Hillcrest area have risen to $4 million annually.

Thus, redevelopment produces a "tax increment" profit of $3 million annually (old revenues of $1 million, new revenues of $4 million). However, the profit is earmarked. To get the up-front money it needed to start the project in the first place (for property acquisition, street construction, etc.), the city floated a multi-million dollar bond issue which now must be repaid. As a result, the county, the schools and the city itself get no new tax revenues from the Hillcrest site for the next 40 years, or until the bonds are retired. In the meantime, each is frozen at its share of the old $1 million amount.

Before Proposition 13, none of this was especially alarming to counties and other local government units that had a stake in the tax revenues from a redevelopment area. Being that the area was blighted, chances were that their tax collections from it had been declining over the years. Thus, under redevelopment, they at least got a fixed level of income. Furthermore, in 40 years they would begin to collect their regular share of the redevelopment area's new tax wealth.

But, as mentioned, Proposition 13 put new pressure on all local governments to find new sources of funds. And for cities this has meant looking at redevelopment in a new way. Suppose, for instance, that a city could in effect use "tax increment" money to finance facilities or services that would normally be financed with regular city funds. The result would be the same as a brand new source of income.

Spreading the wealth

How to achieve this goal? Essentially, by making a redevelopment area as large as possible, including not only blighted zones but potential growth areas as well. Thus, a redevelopment agency's "tax increment" income can be used to finance growth-area sewers, streets and other facilities that otherwise would have been financed with regular city funds.

Also, the agency's "tax increment" income could be used to finance traditional city services. If street cleaning and maintenance in a redevelopment area were financed from "tax increment" revenues, the city would find a lot more money in its general fund.

And, of course, the counties say that's what's happening. "Cities in rural and suburban areas are having trouble paying for streets, sewers, water lines, lighting and the like and are looking at redevelopment to do it for them at the expense of counties," says Victor Pottorff, a lobbyist for CSAC.

As an example of what's happening, the counties point to about 2750-acre redevelopment project recently proposed by the City of Hollister in San Benito County. If it proceeds, it would freeze about 27 percent of the county's entire assessed valuation. Another project, proposed by the city of Porterville in Tulare County, was originally designed to encompass 5000 acres, a full 80 percent of the city, and called for $500 million in new development over a

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45-year time period. Tulare County estimated the Porterville project would cost it $111,490 in tax revenues in the first year and over $12 million a year by the end of the project. Tulare County filed suit against the redevelopment agency and brought CSAC into the picture. CSAC formed its redevelopment task force to assist county officials dealing with proposed redevelopment projects and to push for legislation. The law, for example, requires that a redevelopment area be "blighted," but counties felt many cities were interpreting "blight" too loosely just to accommodate their plans.

Porterville eventually scaled down its original project to a more modest 1360 acres, or 20 percent of the city, and has yet to break ground. But that has done little to soothe the ire of counties faced with other oversized projects such as Soledad, in Monterey County, which is proposing that the entire city become a redevelopment project.

Consultants

The redevelopment pot is being further stirred by private consultants who are reaping fees of between $30,000 and $65,000 for guiding cities, especially those in rural areas, through the redevelopment process. The original Porterville project was formulated by a consulting firm that sent its representatives on a tour of the San Joaquin Valley in the spring of 1981 to promote potential redevelopment projects.

Farrell, of the redevelopment agencies' association, generally contends that counties are bemoaning the loss of money that was never theirs in the first place. "The counties don't realize that the amount of lost tax increment revenue they are looking at and crying about wouldn't have been available to them if redevelopment hadn't occurred."

Farrell also maintains that counties benefit directly when redevelopment stimulates the growth of nearby property. "Take Long Beach. No one did anything with all that nice scenery down by the waterfront because it was too close to their blighted downtown. Now that the downtown is being redeveloped, condominiums and other projects are going in near the waterfront."

However, counties accept little of that. Their main argument remains: that economic growth would have occurred in many redevelopment areas without redevelopment's use. As a result, say the counties, they are being frozen out of tax revenue increases that would otherwise be theirs.

Los Angeles County has gone to court to make its case, arguing that the City of Azusa was attempting to divert county tax dollars for redevelopment in an area that was not truly blighted. The county and redevelopment agency settled out of court, with the county agreeing not to block the freezing of property taxes within the project area in exchange for a portion of the tax increment revenues generated each year.

CSAC's Gould doesn't like such deals, saying they violate the spirit of the state's redevelopment law. He also notes that a deal between a city and county ignores the school districts and other local agencies whose tax revenues also are frozen when redevelopment occurs.

However, school districts also are getting into the act. The elementary school district in Pomona, for example, recently turned redevelopment to its own benefit by bargaining with the redevelopment agency for a $3 million school building in exchange for its support of the overall project. School districts, though, have less to lose through redevelopment than counties. For when schools lose revenues to a redevelopment project, state government is obligated to make up the loss.

Despite all the city-county battling that has occurred over recent years, both sides are looking for settlement and took a first step toward it this year. In June Governor George Deukmejian signed a bill by Democratic Assemblyman Tom Hannigan of Fairfield (AB203) that deals with some of the major disputes between them. The new law allows counties, special districts and schools receiving shares of local property taxes to collect the annual two percent increase granted under Proposition 13. Previously, this money had gone to redevelopment agencies. It also limits the deals that counties and districts can cut with the redevelopment agency in exchange for support: They must prove they are providing more services, or that growth would have occurred anyway, if they want the redevelopment agency to pass through some of the tax increment.

Cities are barred from using redevelopment funds for maintenance and operation of facilities. Tax increments should be used for capital improvements only. The definition of "blight" was tightened up and combined with legislation passed last year, and state law now limits how much vacant land can be included in a redevelopment project.

Lengthy process

The process for adopting a redevelopment plan has also been tightened. "In the past, redevelopment was one of the few government activities in which hundreds of millions of dollars could be spent with little public knowledge or participation," says CSAC's Pottorff. The new law requires the same lengthy process for any amendment to a plan as for the adoption of the plan itself, and it requires a redevelopment agency to come up with more detailed facts and figures about a project sooner. These changes, along with the lawsuits and publicity surrounding recent projects, have gone a long way toward making redevelopment more open to public scrutiny.

Although the new law will smooth over some of the rough spots between cities and counties, there will still be some friction because questions about long-range funding of local government have not yet been answered, and because of fundamental differences in philosophy and outlook.

"Cities are generally more economic-development oriented than counties," says Farrell. "Counties were formed to perform state functions on the local level — to provide courts, sheriff, and health and welfare services, so it's difficult for them to understand what cities are trying to do with redevelopment."

Farrell's argument is substantiated by the fact that counties, as well as cities, have the legal authority to form redevelopment agencies, but few ever do so.

Pottorff put it another way. "Redevelopment results in two social policies that clash. It is a tool for revitalization which many cities have put to use, but it creates a burden for the counties in which it occurs. We just haven't figured out how to reconcile this split."

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(A summary of events during the preceding 30 days.)

PAY BOOST FOR STATE EMPLOYEES

(August 17th): Governor George Deukmejian signed legislation (SB1139 and AB2319) that granted eight percent pay increases to more than 100,000 state employees, plus additional three to five percent "comparable worth" boosts to 30,000 workers in female-dominated jobs. The package had been held up in the Senate because, among other things, it replaced the Columbus Day holiday with a discretionary day off for state employees, thus arousing the anger of Senate President Pro Tem David Roberti, who is of Italian extraction and who successfully demanded that the holiday be restored.

STATE MUST REPAY TEACHER FUND

(August 20th): The state Supreme Court let stand a Court of Appeal decision that governors Jerry Brown and George Deukmejian illegally withheld $330.3 million from the State Teachers Retirement System. The California Teachers Association filed the suit in 1983 after Deukmejian vetoed the system's $211.3 million legislative appropriation for fiscal year 1983-84. The appellate court also agreed with teachers that the state had not paid its share into the fund each year during Brown's second term.

DIABLO CANYON ON HOLD

(August 21st): Chief Justice Warren Burger of the U.S. Supreme Court refused to reverse a lower court decision that halted a full-power operating license for PG&E's troubled nuclear plant at Diablo Canyon. The U.S. Court of Appeals for the District of Columbia had put the license on hold after a coalition of groups questioned the plant's safety and appealed an August 2nd decision by the Nuclear Regulatory Commission to grant full operation. The operating license will remain in limbo until a court hearing on Diablo's safety in November.

GOP TAX PROPOSAL

(August 28th): In a move meant to help GOP candidates this fall, Assembly Minority Leader Robert Naylor released details of a Republican plan to refund as much as $500 million of the state's $1 billion surplus to taxpayers during the next fiscal year. If state finances remain bright, the proposal also would require a one-cent sales-tax reduction in 1986-87 and a 27 percent income-tax cut in 1987-88. A spokesman for the Commission on State Finance warned that the budget surpluses needed for the plan may not exist.

FARM BOARD HEAD BROKE LAW

(August 28th): The state Supreme Court reinstated findings of unfair labor practices against Richard Peters, a Riverside County grape grower appointed by Governor Deukmejian to head the state Board of Food and Agriculture. The Agricultural Labor Relations Board had ruled that Peters and another grower broke state laws by failing to turn over employee lists to the United Farm Workers during an organizing drive in 1977. An appellate court decision overturning that ruling was appealed to the high Court.

THE ASSEMBLY AND PROPOSITION 24

(August 28th): After months of wrangling, the Assembly adopted some — but not all — of the rule changes mandated by Proposition 24 — Paul Gann's June ballot measure meant to rewrite the Legislature's rules and cut its budget. Under the changes, a Republican would serve as vice chairman of every committee and the GOP would be given a proportionate share of committee assignments (see "Democrats and the Gann Initiative" on page 381 of this issue).

PAROLE REFORM BILL SIGNED

(August 29th): A bill (AB2192) that gives the governor and the public a greater voice in parole decisions was signed by Governor Deukmejian. Authored by GOP Assemblyman Pat Nolan of Glendale, the bill allows the governor to demand a review by the full Board of Prison Terms before selected prisoners can be paroled and requires the board to consider public comment in determining whether to grant parole. According to Nolan, the bill was prompted in part by the case of Theodore Streleski, a murderer who upon parole refused to promise he would not kill again.

LEGISLATURE ADJOURNS

(August 29th): The California Legislature adjourned its two-year session after a hectic final week that saw lawmakers deal with more than 700 bills. Among the accomplishments of the 1983-84 session were school finance reform, crackdowns on child pornographers and uninsured motorists, stiffer criteria for toxic-waste control, nursing-home reform, local government assistance and campaign-finance reform. Governor Deukmejian was successful in eliminating a 1982 deficit of $1.5 billion and replacing it with a $950 million surplus in 1984. The governor failed, however, to pass several of his programs, including a $2 billion water plan and a change in the state's unitary method of collecting the corporate income tax.

CRANSTON OFF AND RUNNING

(September 5th): Democratic Senator Alan Cranston, concerned that his abortive presidential effort may have weakened his chances for reelection to the Senate in 1986, released a list of 69 prominent California Democrats who support his bid for a fourth term. Among the missing, however, was San Francisco Mayor Dianne Feinstein whose political stock rose after Walter Mondale included her on a pre-convention list of vice-presidential possibilities. According to Cranston, Feinstein turned down his request for an early endorsement, thus increasing speculation that she may challenge the 70-year-old lawmaker in 1986.

PUC CHAIRMAN CHANGES JOBS

(September 7th): Leonard Grimes Jr. resigned as chairman of the Public Utilities Commission and was immediately named by Governor Deukmejian to the newly-created post of assistant director of the Department of General Services. The switch gives Grimes a continuing state job and gives Deukmejian an opportunity to make an early appointment to the PUC. The governor has appointed only one person to the five-member commission so far: former Republican Assemblyman William Bagley. Should the remaining commissioners serve out their full terms, Deukmejian's next appointment would be in January 1987.

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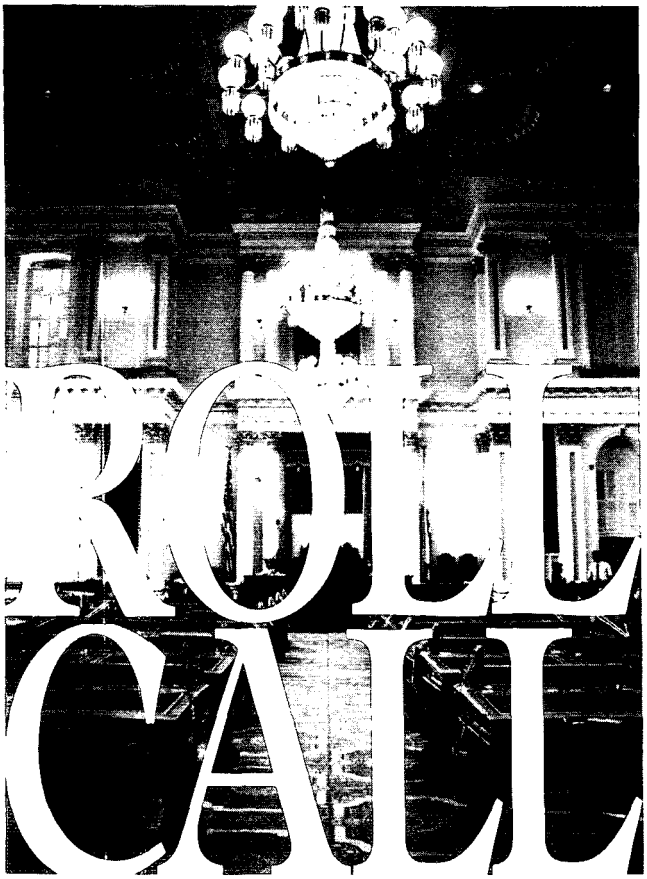

A defeated bill often has more votes in favor than against. This occurs because all bills, on the floor and in committee, need at least an absolute majority to pass. Thus, a bill may receive a 40-28 vote in the 80-member Assembly yet be defeated because it failed to get the 41-vote majority. Urgency, appropriation and tax measures require a two-thirds majority on the floor, as do proposed Constitutional amendments and veto overrides. (54 votes in the Assembly; 27 in the Senate.)

ASSEMBLY

TAX AMNESTY

AB 3230 (Hannigan). Authorizes state to implement a tax-amnesty program for persons who have failed to file income tax returns or pay state income tax. Supporters contend such a program will result in the successful collection of back taxes. Opponents say dropping the penalties will not result in significant tax collections. Passed August 30th, 57-18.

DEMOCRATS FOR: Agnos, Alatorre, Areias, Bane, Bates, Bronzan, Willie Brown, Calderon, Campbell, Chacon, Clute, Condit, Connelly, Cortese, Costa, Davis, Elder, Farr, Floyd, Goggin, Hannigan, Harris, Hauser, Hughes, Isenberg, Johnston, Killea, Klehs, Margolin, McAlister, Molina, Moore, Moorehad, O'Connell, Papan, Peace, Robinson, Roos, Sher, Tucker, Vicencia, Maxine Waters, Norman Waters, Young.

REPUBLICANS FOR: Allen, Bader, Bradley, Filante, Frazee, Frizzelle, Jones, Konnyu, Leonard, Mojonnier, Naylor, Stirling, Wright.

DEMOCRATS AGAINST: Katz, Tanner.

REPUBLICANS AGAINST: Baker, Bergeson, Dennis Brown, Felando, Herger, Johnson, Kelley, La Follette, Lancaster, Lewis, McClintock, Mountjoy, Nolan, Sebastiani, Statham, Wyman.

REPUBLICANS FOR: Filante.

DEMOCRATS AGAINST: McAlister.

REPUBLICANS AGAINST: Allen, Bader, Baker, Bergeson, Bradley, Dennis Brown, Felando, Frazee, Herger, Hill, Kelley, Konnyu, La Follette, Lancaster, Leonard, Lewis, McClintock, Mountjoy, Naylor, Nolan, Rogers, Sebastiani, Stirling, Wright, Wyman.

GAS STATIONS

AB 1107 (Papan). Requires gas stations to provide water and compressed air to motorists but permits them to impose a charge for such services. Proponents believe stations should be required to provide such services, preferably free. Gas station owners contend they cannot afford to give away free air and water. Passed August 27th, 42-32.

DEMOCRATS FOR: Agnos, Alatorre, Areias, Bane, Bates, Bronzan, Willie Brown, Calderon, Campbell, Chacon, Clute, Connelly, Cortese, Costa, Davis, Elder, Farr, Floyd, Hannigan, Harris, Hauser, Hughes, Klehs, Margolin, Molina, Moore, O'Connell, Papan, Peace, Robinson, Roos, Sher, Tanner, Tucker, Vicencia, Maxine Waters, Norman Waters, Young.

REPUBLICANS FOR: Felando, Filante, Frizzelle, Sebastiani.

DEMOCRATS AGAINST: Condit, Katz, Killea, McAlister, Moorhead.

REPUBLICANS AGAINST: Allen, Bader, Baker, Bergeson, Bradley, Dennis Brown, Frazee, Herger, Hill, Johnson, Jones, Kelley, Konnyu, La Follette, Lancaster, Leonard, Lewis, McClintock, Mojonnier, Mountjoy, Naylor, Nolan, Rogers, Statham, Stirling, Wright, Wyman.

GOVERNOR'S VETO

Assembly failed 49-24 on August 14th to override the governor's veto of $7 million in the state budget for drinking water and toxic-waste-site cleanup.

DEMOCRATS FOR: Agnos, Alatorre, Areias, Bates, Bronzan, Willie Brown, Calderon, Campbell, Chacon, Clute, Condit, Connelly, Cortese, Costa, Davis, Elder, Farr, Floyd, Hannigan, Harris, Hauser, Hayden, Hughes, Isenberg, Johnston, Katz, Killea, Klehs, Margolin, McAlister, Molina, Moore, Moorhead, O'Connell, Papan, Peace, Robinson, Roos, Sher, Tanner, Tucker, Vicencia, Maxine Waters, Norman Waters.

REPUBLICANS FOR: Filante, Hill, Lancaster, Rogers, Sebastiani.

DEMOCRATS AGAINST: None.

REPUBLICANS AGAINST: Allen, Bader, Baker, Bergeson, Bradley, Dennis Brown, Felando, Frazee, Frizzelle, Herger, Johnson, Jones, Kelley, Leonard, Lewis, McClintock, Mojonnier, Mountjoy, Naylor, Nolan, Seastrand, Stirling, Wright, Wyman.

LEGISLATURE'S BUDGET

AB 2185 (Konnyu). Transfers from the Legislature's budget to the state's general fund annual appropriations for support of the auditor general's office. Sponsors argue that in view of Proposition 24 it is necessary to remove non-legislative expenditures from the Legislature's budget. Opponents disagree with transferring the auditor general's budget. Passed August 6th, 61-15.

DEMOCRATS FOR: Agnos, Alatorre, Areias, Bane, Bates, Bronzan, Willie Brown, Calderon, Campbell, Chacon, Clute, Condit, Connelly, Cortese, Costa, Davis, Elder, Farr, Floyd, Hannigan, Harris, Hauser, Hayden, Hughes, Isenberg, Johnston, Katz, Killea, Klehs, Margolin, McAlister, Molina, Moore, Moorhead, O'Connell, Papan, Peace, Robinson, Roos, Sher, Tanner, Tucker, Maxine Waters, Norman Waters, Young.

REPUBLICANS FOR: Bader, Bergeson, Bradley, Felando, Filante, Frazee, Frizzelle, Herger, Hill, Kelley, Konnyu, Lancaster, McClintock, Nolan, Statham, Wright.

DEMOCRATS AGAINST: None.

REPUBLICANS AGAINST: Allen, Baker, Dennis Brown, Johnson, Jones, La Follette, Leonard, Mojonnier, Mountjoy, Naylor, Rogers, Seastrand, Sebastiani, Stirling, Wyman.

UNINSURED DRIVERS

SB 850 (Robbins). Requires motorists cited for a moving violation to provide evidence they carry automobile insurance, and allows DMV to suspend a driver's license if he or she does not have insurance. Supporters say that traffic accidents involving unin-

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sured motorists cost Californians $1.2 billion annually. Opponents argue that as long as auto insurance rates are based on arbitrary factors, low-income persons cannot afford the premiums. Passed August 27th, 62-10.

DEMOCRATS FOR: Areias, Bane, Bates, Bronzan, Willie Brown, Calderon, Campbell, Clute, Condit, Connelly, Cortese, Costa, Davis, Elder, Farr, Goggin, Hannigan, Hauser, Isenberg, Johnston, Katz, Klehs, McAlister, Moorhead, O'Connell, Papan, Peace, Robinson, Sher, Tanner, Tucker, Vicencia, Norman Waters, Young.

REPUBLICANS FOR: Allen, Bader, Baker, Bergeson, Bradley, Dennis Brown, Felando, Filante, Frazee, Herger, Hill, Jones, Kelley, Konnyu, La Follette, Lancaster, Leonard, Lewis, McClintock, Mojonnier, Mountjoy, Nolan, Rogers, Sebastiani, Statham, Stirling, Wright, Wyman.

DEMOCRATS AGAINST: Agnos, Alatorre, Chacon, Floyd, Harris, Hughes, Molina, Moore, Roos, Maxine Waters.

SENATE

CIVIL RIGHTS

AB 848 (Bates). Declares that persons have the right to be free from violence or intimidation committed against them because of their sexual orientation, age or disability. Sponsors say the primary purpose of this bill is to give gay persons legal protection against harassment and threats of violence. Opponents disagree with enactment of a special-protection statute. Passed August 27th, 21-14.

DEMOCRATS FOR: Alquist, Boatwright, Carpenter, Deddeh, Dills, Foran, Garamendi, Leroy Greene, Hart, Keene, Lockyer, McCorquodale, Petris, Robbins, Roberti, Rosenthal, Torres, Watson.

REPUBLICANS FOR: Beverly, Davis, Marks.

DEMOCRATS AGAINST: Ayala, Montoya, Presley, Stiern, Vuich.

REPUBLICANS AGAINST: Doolittle, Ellis, Johnson (Ind.), Maddy, Nielsen, Richardson, Royce, Russell, Seymour.

COURT FUNDING

AB 3108 (Robinson). Provides for state funding of municipal, superior, and justice courts on an annual, county-option basis. Proponents say that local governments can no longer support the operation of trial courts. Critics see state funding as a state take-over of the trial courts. Passed August 27th, 23-10.

DEMOCRATS FOR: Ayala, Carpenter, Deddeh, Garamendi, Leroy Greene, Keene, Lockyer, McCorquodale, Petris, Presley, Roberti, Rosenthal, Stiern, Torres, Vuich, Watson.

REPUBLICANS FOR: Beverly, Campbell, Craven, Johnson (Ind.), Maddy, Marks, Seymour.

DEMOCRATS AGAINST: Dills, Bill Greene, Mello, Montoya.

REPUBLICANS AGAINST: Davis, Doolittle, Nielsen, Richardson, Russell, Speraw.

OFF-TRACK BETTING

AB 1517 (Alatorre). Authorizes off-track betting on horseraces under specified regulations. Sponsors contend the bill will generate additional state revenue. Opponents argue that legalization of OTB will create numerous problems for law enforcement agencies. Passed August 27th, 22-11.

DEMOCRATS FOR: Alquist, Ayala, Boatwright, Carpenter, Dills, Foran, Bill Greene, Leroy Greene, Keene, Lockyer, McCorquodale, Mello, Montoya, Robbins, Rosenthal, Torres.

REPUBLICANS FOR: Beverly, Campbell, Davis, Maddy, Marks, Nielsen.

DEMOCRATS AGAINST: Deddeh, Presley, Roberti, Stiern.

REPUBLICANS AGAINST: Doolittle, Ellis, Johnson (Ind.), Richardson, Russell, Seymour, Speraw.

FIREARMS

AB 3468 (Harris). Prohibits the sale of concealable firearms to persons under 21 and permits a longer waiting period to obtain a firearm. Supporters favor tightening handgun regulations. Opponents voted "no" on general principle. Failed August 27th, 13-24.

DEMOCRATS FOR: Alquist, Foran, Bill Greene, Leroy Greene, Hart, Keene, Petris, Presley, Roberti, Rosenthal, Torres, Vuich, Watson.

REPUBLICANS FOR: None.

DEMOCRATS AGAINST: Ayala, Boatwright, Carpenter, Deddeh, Dills, Garamendi, Lockyer, McCorquodale, Mello, Montoya, Robbins, Stiern.

REPUBLICANS AGAINST: Beverly, Campbell, Craven, Davis, Doolittle, Ellis, Johnson (Ind.), Nielsen, Richardson, Royce, Russell, Seymour.

CAMPAIGN FINANCING

SB 87 (Lockyer). Provides for a system of public financing of political campaigns to be implemented should Proposition 40 pass in November. Supporters believe that public financing will make candidates more independent by eliminating special-interest funding of campaigns. Critics contend that such a system will insure the re-election of incumbents and also that political campaigns should not be financed from public funds. Passed August 30th, 23-11.

DEMOCRATS FOR: Alquist, Ayala, Boatwright, Carpenter, Deddeh, Dills, Garamendi, Bill Greene, Leroy Greene, Hart, Keene, Lockyer, McCorquodale, Petris, Presley, Robbins, Roberti, Rosenthal, Stiern, Torres, Vuich, Watson.

REPUBLICANS FOR: Marks.

DEMOCRATS AGAINST: Montoya.

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Vignettes from the Republican convention

By TONY QUINN

It might have been dull; it certainly was scripted, but for the several hundred California Reagan loyalists who gathered in 100-degree-plus Dallas in August, the GOP National Convention was both an end and a beginning. Veteran Reaganites, some who even went back to the Goldwater days in '64, mingled with the new forces controlling California Republican politics.

The governor and his people struggled long deciding just who would be delegates, alternates, and "honorary delegates." Although the influence of U.S. Senator Pete Wilson, GOP party leaders, the White House and key legislators was evident, it was Governor George Deukmejian's show.

Deukmejian had several goals: naturally, to reward longtime Reagan stalwarts, but also to accent those people who had supported both Reagan and Deukmejian in recent campaigns. Another goal was a rainbow delegation. More than most other states, California had a large minority contingent. Virtually every minority appointee in the administration was there, including some like Office of Administrative Law Director Linda Stockdale Brewer, a black who was a Democrat until a few months ago. Half female, the delegation rang with names like Kien Nhieu Do, Lisa Avila-Valencia and Xavier Hermosillo.

This delegation was two ships passing in the night. On the one side were the ideological Reaganites, many of whom sat in the front row at the Goldwater convention 20 years ago, blithely cheering on what turned out to be an electoral disaster, or who cheered on Reagan later against Nixon and then Ford. "Outriders of the far right," as author Teddy White once called them, they are now in the mainstream of their party. Having seen the millennium arrive in 1980 with Reagan's election, they have no doubt that 1984 also will be theirs.

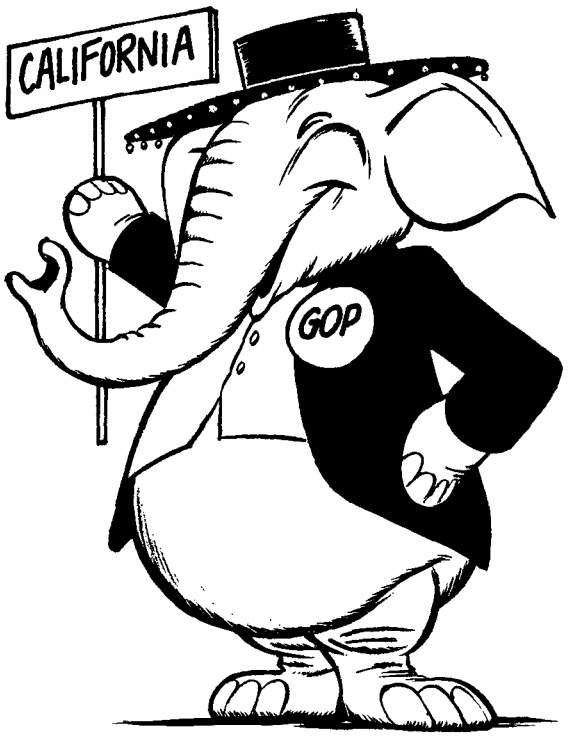
On the other hand, the Deukmejian delegates were younger and more representative of the GOP's managerial and operational wing, not its ideological wing. Deukmejian had few of the party's hard-line conservatives on his side in the governor's primary battle two years ago (against former Lieutenant Governor Mike Curb) and this delegation probably had less philosophical conservatives and more GOP pragmatists than any since the Eisenhower years.

Who's the conservative?

This is not to say there is a moderate-conservative division among California Republicans, as exists in some eastern states. It is more a generational difference; veteran Reagan-firsters in their emeritus role contrasting to an emerging set of Deukmejian-firsters.

Probably the Reaganites are more conservative, although interestingly Deukmejian has been a far more conservative governor in his first two years than Reagan was in his. Reagan successfully rallied hardline conservatives in his first presidential foray in 1968 but came to that convention having signed the nation's most liberal abortion law and a billion-dollar tax increase.

Tony Quinn is a Republican legislative staffer.



Deukmejian showed up in Dallas having vetoed the homosexual-rights bill and having stopped a tax increase. Some national conservative leaders found his record intriguing, particularly the gay-rights veto. Although viewed in California as a cautious moderate, Deukmejian is best known among national party activists for that action and for his tough fiscal stands, and may have more national support among the party's hard right than is generally perceived.

Despite his coyness in Dallas about "running for vice president" — a job for which no one runs — there are reasons to expect that Deukmejian could be the Republican vice-presidential candidate in 1988. Getting picked for vice president is strictly a matter of being in the right place at the right time. Deukmejian and Senator Wilson were about the only new GOP faces to appear on the national scene in the not-so-Republican 1982 election. The 1984 election is unlikely to produce any more new faces.

Should Reagan win re-election, 1986 could be a bad Republican year. Since 1938 every sixth-year election has resulted in big losses for the incumbent president's party. That means Deukmejian will still be a fresh GOP personality in 1988 and could well be one of the few big-state Republican governors.

There is also a certain inevitability about the 1988 nomination of Vice President George Bush, if Reagan is re-elected. His position will be akin to that of Vice President Nixon during Eisenhower's second term. As long as Bush stays tight as a tick with Reagan, attacking him will be at-

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tacking Reagan, who is as absolute in his command of the Republican Party as the Sun King was in 17th Century France.

Bush's 1988 opposition will probably be Congressman Jack Kemp, the New York supply-sider around whom the party's more conservative wing will likely coalesce. But Kemp has the problem of a small electoral base — Buffalo — and could fall victim to the same problem fellow New Yorker Nelson Rockefeller had running against Nixon in 1960: taking on a vice president means taking on a popular president.

So how does Duke fit in? Unless Bush feels compelled to pick a woman, the logic for picking the governor of the nation's largest state will be overwhelming. California casts 47 electoral votes; Bush's home state of Texas 29. Combined, that is 76 votes, or 28 percent of the 270 needed to elect a president.

The GOP is now the party of the Sun Belt, and Dallas provided clear evidence of an emerging Texas-California axis. Texas Republicans hosted a party for the California delegation where Texas Congressman Steve Bartlett, a Bush ally, effusively praised Deukmejian. According to press reports, Deukmejian operatives held down California participation in the Kemp rally when Kemp addressed the convention. And, of course, Deukmejian was tapped to nominate Bush.

Does anybody remember that in 1968 Richard Nixon asked the little known governor of Maryland to nominate him? His name was Spiro Agnew.

Best and worst performances

Most foolish costumes at a national convention: the black "Sign of Zorro" hats worn by California delegates on the convention floor. Decorated with a paper flower that looked like an opium poppy, the hats resembled art-deco lampshades without the tassles. Male delegates in the hats looked like Venetian gondoliers.

Best performance by a live Republican invoking a dead Democrat: Being the minority party, Republicans feel compelled to canonize great Democrats of the past, posthumously of course, while lamenting that the party is now led by a band of pygmies. Thus the reverential remembrance of Roosevelt, Truman and Humphrey that echoed through the hall in Dallas. Of course no one was so crude as to recall what Republicans said about these heros when they were alive. The award in this category goes to Nevada Senator Paul Laxalt who excoriated New York Governor Mario Cuomo for getting into a fight over abortion with his local archbishop: "Shame on you, Mario Cuomo. What would Al Smith have thought?" Laxalt thereupon won for Reagan the Democratic Catholic vote over the age of 80.

Best and worst convention speeches: Best was U.N. Ambassador Jeanne Kirkpatrick, nominally a Democrat, whose brilliantly delivered defense of Reagan foreign policy should have been the party's keynote address. Numerous speeches vie for the worst, especially those the White House insisted on sanitizing for the speakers. Cautious Reagan media manipulators managed to take most of the zip out of the convention by rewriting many of the speeches.

Best little mansion in Texas — also its hottest and driest: Mrs. H. L. Hunt's Mount Vernon-style estate overlooking the plains of Texas where a thousand Californians gathered on a sizzling Sunday in Texas to drink lemonade (Mrs. Hunt allows no alcoholic beverages), sup on barbecue and melting ice cream and hear the world's longest political speeches in weather over 100 degrees. No Texas cattle stampede moved faster than perspiring delegates heading for their air conditioned buses and hotel watering holes.

Worst political rally: Nothing beat the "Welcome Reagan" rally at the Anatole Hotel, in which several thousand enthusiasts were crammed into the atrium of this luxury hotel, only to feel it turn into a hothouse. Reagan was an hour and a half late, the air conditioning went out completely, the sound system wouldn't properly carry to the balcony, and, worst of all, the national press paid no attention to the gala event.

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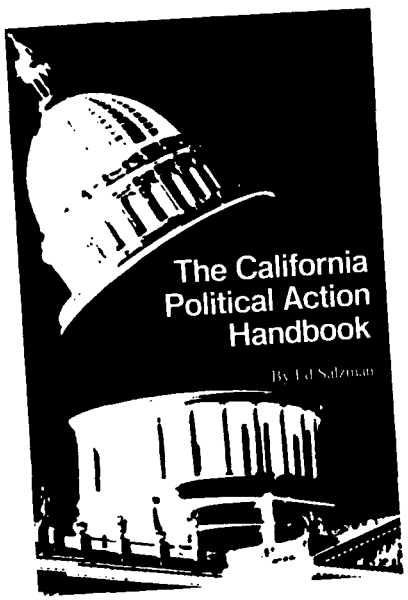

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Perspective from
WASHINGTON
By Leo Rennert

Brotherly love

It has been three years since the late Phil Burton masterminded the Democratic Party's reapportionment of California, but the political wars triggered by his handiwork go on — more bitter, more expensive and seemingly without end. So far, his blueprint has withstood GOP ballot and court challenges. It enabled Democrats to pick up six congressional seats in 1982 and virtually guaranteed that they will hold on to these gains next month. But Burton's legacy has spawned yet another fight on the November ballot, Proposition 39 — Governor Deukmejian's initiative to wipe out current district lines and have another set drawn by a panel of retired judges in time for 1986. By some estimates, both parties will pump $7 million into this latest skirmish. The struggle is so fierce that it may overshadow the presidential race in California. Still, nobody is willing to predict that it will, at last, yield a final verdict. Burton's ghost may haunt California's political banquets for the rest of this decade.

AND YET, LIKE SO MANY OTHER WARS, this one need not have happened. Democrats, in firm control of the Legislature, could have redrawn lines for congressional and state legislative seats after the 1980 census without stirring up all this fuss. They had a clear opportunity to pick up additional seats in a less offensive manner that might have prompted some grumbling by Republicans but avoided the marathon do-or-die power struggle that is still gaining steam three years later.

To get all fired up, Republicans needed not just a partisan beef but a fervent cause and an arch-villain. Burton supplied both. By overreaching and then bragging about it, he stoked GOP resentment and invited a backlash. Republicans, supported by numerous newspaper editorials, cast themselves in the role of martyrs. According to his critics, Burton got too greedy, too arrogant as the principal power broker in the congressional delegation.

But that assessment essentially misses the point. The veteran San Francisco congressman rose to power by cutting deals with potential opponents — not by turning them into mortal enemies. As one of the shrewdest tacticians on Capitol Hill, Burton always plotted his moves so he could proceed with a minimum of conflict. He abhorred dramatic battles that regale the press but yield no enduring dividends. He much preferred to concede a point or two rather than get bogged down in endless stalemate. No, what happened three years ago was not quintessential Burton; it was something quite uncharacteristic. For the first time in a political career marked by crafty pragmatism, he led with his emotions.

Burton always felt overprotective toward his younger brother, John, who followed him to Congress after a stint in the Legislature. Unlike Phil, who had a safe seat in San Francisco, John represented a district that stretched from the city across the Golden Gate Bridge into conservative Marin County. In 1980, on the eve of reapportionment, Republicans mounted a strong challenge against John, whose unorthodox behavior on Capitoil Hill (he later was to admit to having a drug problem) made him an inviting target. A key architect of the move against the younger Burton was John Rousselot of San Marino, the dominant figure in the Republican delegation. After the 1970 Democratic reapportionment, also engineered by Phil Burton, Rousselot set out to whittle back Democratic gains by grooming and financing GOP challengers to run against vulnerable Democratic incumbents. Rousselot was so successful that he managed to reduce the Democratic majority in the delegation to a mere 22-21 by the end of the decade. His tactics, however, broke an old gentleman's agreement that incumbents were not supposed to go after the scalp of a colleague from the other party. When Rousselot ignored this rule and took aim at John Burton, the fat was in the fire. John survived the challenge, but Phil was unforgiving. Revenge was in the offing. Rousselot was a marked man.

A few months after the 1980 election, the elder Burton confronted Rousselot during a delegation cruise on the Potomac hosted by California bankers. The conversation was heavy with purple prose. But the gist of Burton's message was clear. He bluntly told Rousselot that he would repay him for his efforts to defeat John by wiping out his district. When Phil unveiled his 1981 redistricting map, Rousselot's home base was obliterated. To give John added protection, Phil drew a contorted district that circled the Bay area to pick up additional pockets of Democratic voters. The serpentine lines were his contribution to modern art, Burton said.

BOTH MOVES — SMASHING ROUSSELOT and creating an odd-shaped district for John — gave Republicans potent ammunition to fire up their troops. In his zeal to protect his brother and to punish Rousselot, Burton threw caution to the wind. He broke an unwritten rule against slicing up the district of an incumbent running for reelection. And, with John's surrealistic district, he gave his critics a vivid exhibit of rampant gerrymandering. Had he left Rousselot alone and worried less about John, Democrats might have picked up five seats instead of six while giving the GOP a far smaller target to shoot at. In boosting the Democratic majority margin in the delegation from 22-21 to 28-17, Burton generally followed accepted reapportionment standards. He carved out safe districts for practically all GOP incumbents, grabbed California's two new seats for the Democrats, and converted a couple of districts represented by retiring Republicans into new Democratic territory. By themselves, these moves could hardly have started a holy war if Burton had not succumbed to the emotional tug of being his brother's keeper.

Rousselot, equally stubborn, went down to defeat in 1982 when he ran in a Burton-fashioned Hispanic district. John Burton, beset by personal problems, opted out of Congress and never ran in the district his brother so lovingly carved up for him. Phil is dead. But three years after the deed, the fight continues with unremitting ferocity.

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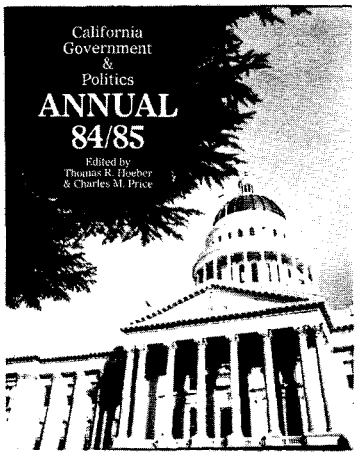

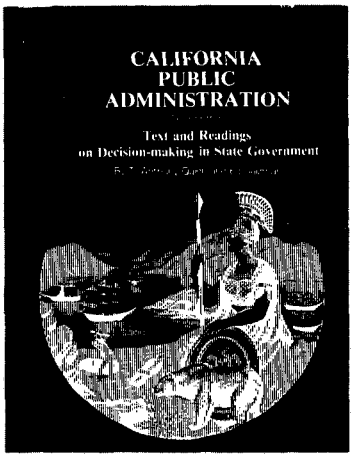

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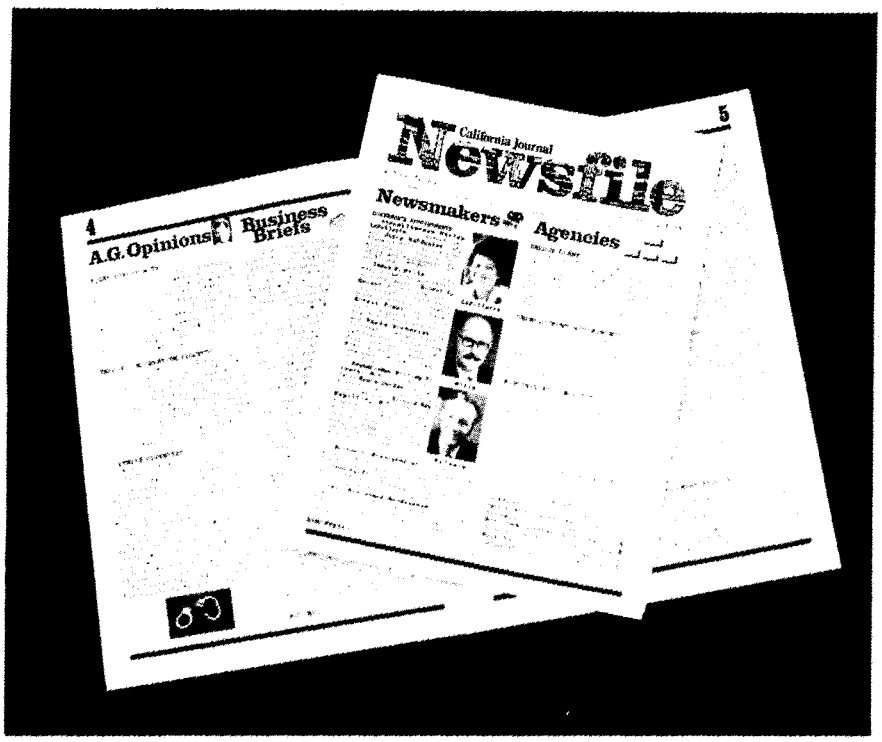

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